

# **Market Feasibility Analysis**

## **Lakewood Christian Manor Seniors Apartments**

**Atlanta, Fulton County, Georgia**

**To be developed by:**  
**National Church Residences**

**Prepared for**  
**The Georgia Department of Community Affairs**

**June 2002**

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## I. Executive Summary

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### **Proposed Site Location**

- The proposed 4.921 acre site for Lakewood Christian Manor Seniors Apartments is located on the southwest corner of Springdale Road and Lakewood Avenue/Perkerson Drive, just south of the Lakewood Freeway approximately one quarter of one mile west of the downtown connector (I-75/I-85).
- The site has a gently rolling topography that generally slopes away from the center of the property to the north and south. The site is irregular in shape and has approximately 455 feet of frontage along the west side of Springdale Road and 390 feet of frontage along the south side of Lakewood Avenue/Perkerson Drive.
- This section of Atlanta, located along Lakewood Freeway west of the downtown connector, is an established residential area. The area is estimated to be 95 percent developed with most development consisting of older buildings recently renovated.

### **Proposed Amenities**

- Lakewood Christian Manor Seniors Apartments will include a kitchen with a stove and a refrigerator. Common area amenities will include extensive community gathering areas, an exercise room, shuffleboard court, library, community garden, and computer lab.
- The proposed unit and common area amenities will be attractive to the senior clientele, which will be targeted by Lakewood Christian Manor Seniors Apartments.

### **Demographic Analysis**

- According to 2000 Census data, the proposed development is compatible with the demographic composition of the primary market area.
- The senior household growth rate and senior income distribution indicate the need for additional senior oriented rental units.

### **Affordability Analysis**

- Based on household income distributions produced by Claritas, 71.1 percent of the senior (55+) households in the primary market area earn less than the maximum income limit for the one bedroom units at 50 percent of the AML.
- When a minimum income limit is introduced, 13.94 percent earn below the maximum income limit and above the minimum income limit. This minimum income limit will apply to those householders without Section 8 voucher rental assistance.
- Based on the 2004 senior household estimate of 22,943 for the primary market area, there are 16,312 senior households with incomes below the maximum income limit and 3,199 of these household also earn more than the minimum income limit.

### **Proposed Unit Mix and Rent Schedule**

- The proposed unit mix consists of efficiency and one bedroom units. There will be tax credit units priced at both 30 percent and 50 percent of the Area Median Income and market rates units will target those renters earning no more than 80 percent of the AML.
- The proposed efficiency and one bedroom units at Lakewood Christian Manor Seniors Apartments will be appealing to senior renter households. While developers are now leaning toward one and two bedroom configurations, affordable senior units that happen to be efficiencies will still be in great demand in this market.
- The proposed tax credit and market rate rents are well below the average of the existing rental communities surveyed. The rents at Lakewood Christian Manor Seniors Apartments will be competitive given the product to be developed and its attractive location.

### **Demand and Capture Rates**

- Using the methodology stipulated by Georgia DCA we find that there will be 5,364 senior (55+) renter households as a result of substandard households, rent over burdened households, renter household growth, and elderly homeowners converting to rental housing in 2004.
- By applying the income qualification percentages discussed earlier to this demand number, we calculate that there is demand for 1,263 additional units in the primary market area.
- This demand estimate results in a capture rate of 17.9 percent with a minimum income limit and 4.2 percent without a minimum income limit. Based on the product to be constructed and the proposed location, these capture rates are considered achievable. Furthermore, as the proposed development is a renovation of a community with a currently occupancy rate above 96 percent, the capture rate analysis is unnecessary.

### **Final Conclusion**

Based the data presented in this report, we find that Lakewood Christian Manor Seniors Apartments passes the market study test as proposed.

## II. Project Description

The proposed development, Lakewood Christian Manor Seniors Apartments, will be a renovation of an existing nine-story 250 unit senior oriented rental community that was originally constructed in 1973. The property is situated on a 4.921 acre site that has a physical address of 2141 Springdale Road, which also has frontage along Lakewood Avenue/Perkerson Drive.

The subject property was built under the Housing and Urban Development (HUD) Section 236 program, whereby all units benefit from subsidized financing and receive housing assistance through the Section 8 Housing Voucher program. All units in this community are designated for occupancy by low or very low income elderly residents. The proposed redevelopment, tax credit mix and rent structure will comply with the requirements of the Section 236 program and participation in this program is expected to continue for the remaining 12 to 13 years of the contract's life. The proposed unit mix at Lakewood Christian Manor Seniors Apartments includes LIHTC units at 30 and 50 percent of the Area Median Income (AMI) and market rate units, which are noted as 80% of the AMI in the table below. Fifty of the units reserved for tenants earning no more than 30 percent of the AMI will have project based rental assistance. Tenants qualifying for these units will pay only 30 percent of their income each month for rent. As a result, there will be no minimum income for these units.

**Table 1 - Proposed Unit Mix, Lakewood Christian Manor Seniors Apartments**

Floorplans & Type of Units	Maximum % of AMI	Number of Units	Bedrooms	Planned Net Rent	Utility Allowance	Planned Gross Rent	Maximum Gross Rent	Maximum Income	Minimum Income
PBRA	30%	8	0	\$297	\$0	\$297	\$374	\$14,940	\$8,910
PBRA	30%	42	1	\$365	\$0	\$365	\$401	\$16,020	\$10,950
LIHTC	30%	3	0	\$324	\$0	\$324	\$374	\$14,940	\$9,720
LIHTC	30%	14	1	\$400	\$0	\$400	\$401	\$16,020	\$12,000
LIHTC	50%	5	0	\$400	\$0	\$400	\$623	\$24,900	\$12,000
LIHTC	50%	13	0	\$324	\$0	\$324	\$623	\$24,900	\$9,720
LIHTC	50%	141	1	\$400	\$0	\$400	\$668	\$26,700	\$12,000
MKT RATE	80%	3	0	\$460	\$0	\$460	\$996	\$39,840	\$13,800
MKT RATE	80%	6	1	\$400	\$0	\$400	\$1,068	\$42,720	\$12,000
MKT RATE	80%	16	1	\$520	\$0	\$520	\$1,068	\$42,720	\$15,600

Lakewood Christian Manor Seniors Apartments consists of one nine-story building with a common, secure entrance and elevator service. The property has



been relatively well maintained and is comparable in terms of unit style and condition to other senior communities in the area. As an existing community, Lakewood Christian Manor Seniors Apartments is compatible with existing land uses and it will not alter the general makeup of the area.

Common area amenities of Lakewood Christian Manor Seniors Apartments will include a common laundry facilities, an exercise room, shuffleboard court, library, full service bank, full service beauty salon, community garden, and computer lab.

Unit specific amenities will include a kitchen with a refrigerator, an oven/range and central heating and air.

Community services to be provided by Lakewood Christian Manor Seniors Apartments will include service coordination, an education and wellness program, health clinics, social activities, community care service program, adult day health, alternative living services, emergency response services, home delivered meals, and rehabilitation programs.

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### III. Site Evaluation

#### **A. Site Description**

The proposed 4.4.921-acre site for Lakewood Christian Manor Seniors Apartments is located on the southwest corner of Springdale Road and Lakewood Avenue/Perkerson Drive, just south of the Lakewood Freeway approximately one quarter of one mile west of the downtown connector (I-75/I-85). Although the physical address of the site is 2141 Springdale Road, access to the site is available via the south side of Lakewood Avenue/Perkerson Drive. The site has a gently rolling topography that generally slopes away from the center of the property to the north and south. The site is irregular in shape and has approximately 455 feet of frontage along the west side of Springdale Road and 390 feet of frontage along the south side of Lakewood Avenue/Perkerson Drive.

This section of Atlanta, located along Lakewood Freeway west of the downtown connector, is an established residential area. The area is estimated to be 95 percent developed with most development consisting of older buildings recently renovated. The site is situated between the Fulton Industrial District to the west and the Atlanta Hartsfield International Airport to the south. The area has transformed from a middle income neighborhood to an older community oriented to lower income households.

#### **B. Surrounding Land Uses**

The surrounding land uses of the site are primarily single and multi-family residential in nature. There are, however, many community services and amenities located within close proximity to the proposed site. Avery Park is located approximately one quarter mile southeast of the proposed site. There are multiple retail and commercial establishments located within one half of one mile from the proposed site.

The proposed development will be compatible with surrounding land uses. As a rehabilitation of an existing community, the development will not alter the composition of the immediate area. There are several rental communities located within one mile of the proposed site. Senior oriented communities are located within two to three miles of the site. In addition to multi-family rental communities, low to moderate income single family homes have a strong presence in the area.

## C. Site Photos

*Figure 1 - Site Location Photos*



*Lakewood Christian Signage and building*



*Lakewood Christian Signage and building*





*View of property entrance.*



*View of property.*

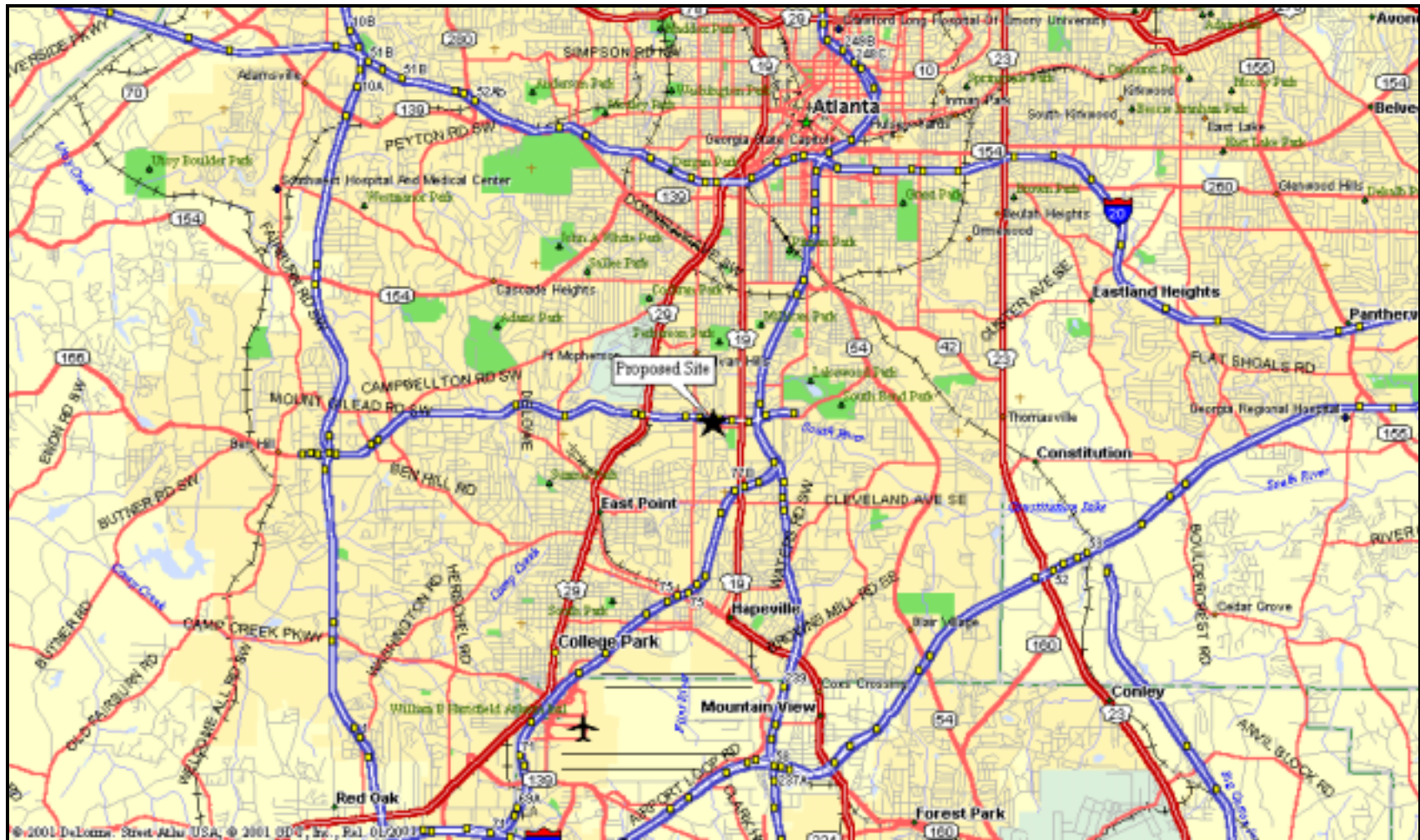


*Side view of property.*



## D. Location Maps

Map 1 - Site Location, Lakewood Christian Manor Seniors Apartments



Map 2 - Neighborhood Amenities, Lakewood Christian Manor Seniors Apartments



**Table 2 - Neighborhood Amenities, Lakewood Christian Manor Seniors Apartments**

Establishment	Type	Address	Distance
Huddle House	Restaurant	2885 Lakewood Ave SW	0.1 Mile
Lakewood Diner	Restaurant	2885 Lakewood Ave SW	0.1 Mile
Sun Supermarket	Grocer/Market	1990 Perkerson Rd SW	0.3 Mile
1 <sup>st</sup> Choice Medical Care	Medical Clinic	2085 Metropolitan Pkwy SW	0.3 Mile
Family Dollar Store	General Merchandise	2779 Lakewood Avenue SW	0.3 Mile
Tropical Food Mart	Grocer/Market	2047 Metropolitan Pkwy SW	0.4 Mile
Dollar General Store	General Merchandise	1959 Metropolitan Pkwy SW	0.5 Mile
Wayfield Foods	Grocer/Market	1765 Metropolitan Pkwy SW	0.7 Mile
Kroger Food	Grocery/Pharmacy	2685 Metropolitan Pkwy SW	1.0 Mile
CVS Pharmacy	1043 Cleveland Ave	1043 Cleveland Avenue	1.1 Miles
Carr's Drugs	Drug Store	2340 Main Street	1.2 Miles
South Fulton Medical	Hospital	1170 Cleveland Avenue	1.3 Miles
East Point Police	Police	2727 E Point Street	1.9 Miles
East Point Fire Department	Fire Department	2727 E Point Street	1.9 Miles



## E. Neighborhood Amenities

### Retail/Restaurants

The majority of the retail establishments in the immediate area are located along Metropolitan Avenue and Cleveland Avenue to the east and south respectively. The stores located within one mile of the proposed site include a full service Kroger grocery store and pharmacy, a CVS pharmacy, Family Dollar, Dollar General, several smaller markets, and many restaurants - both sit-down and fast food.

Newer, more upscale shopping is coming to the area with the development of a 690,510 square foot retail center near the intersection of Interstate 285 and Camp Creek Parkway approximately five miles southwest of the proposed site. The development in this area will include Lowe's, Target, BJ's Wholesale Club, Circuit City, Ross, Marshall's, Linens 'n Things, Barnes & Noble, Staples and PetsMart.



*Kroger Citi-Center, Metropolitan Parkway and Cleveland Avenue*

## Medical

The closest major medical center to the proposed site is South Fulton Medical Center. This major hospital offers a variety of medical care including 24-hour emergency medicine and general practice. The health centers within the hospital's system include children's health, men's health, women's health, and senior's health. South Fulton Medical Center is located approximately 1 mile south of the proposed site near the intersection of Cleveland Avenue and Sylvan Road.

In addition to this major medical center, several smaller clinic and independent physicians operate within one mile of the site location. Furthermore, several large hospitals and medical centers including Grady Hospital System, Emory Medical Center, and Piedmont Hospital also serve the Atlanta region.

## Transportation

Fulton County and the Atlanta metropolitan area are served by Interstates 20, 75, 85 and 285. Interstates 75 and 85 are both located within one mile of the proposed site and Interstates 20 and 285 are located within approximately 5 miles. These interstates provide access to the entire metropolitan Atlanta area, the state of Georgia and bordering states. Large state and U.S. Highways in the area include Highways 6, 41, 29, 139, 279, 54, and 154.

Metro Atlanta's rail and transit system, MARTA, connects southern Fulton County with much of the Atlanta region through its bus and train network. There are several bus routes that run near the site. The closest MARTA bus stops are located on Springdale Road and Lakewood Avenue within walking distance of the site. A covered bus shelter will be constructed as a part of the proposed rehabilitation.

## **F. Overall Site Conclusion**

The proposed site is located in an older, established area of south Fulton County. The site is compatible with existing land uses and is located conveniently to community shopping, services, and transportation arteries.

There has been little new construction of rental housing in the immediate area of the past fifteen to twenty years. Yet, as an established neighborhood, the area has an extensive community infrastructure in place. Given the age, condition, and quality of the rental housing in the area, the market area lends itself to investment in rehabilitation projects, which will improve the overall housing stock, rather than new construction. The proposed development and site rehabilitation will be well received by the existing tenant base in the market.

The proposed site is located in an area of Atlanta that has not seen a significant amount of new construction or large-scale redevelopment in the past decade. Much of the existing housing and retail establishments are of older construction and has not been well maintained. The proposed development will not only be well accepted as one of the more appealing communities, but will also likely be a trigger for additional redevelopment in the area.

## IV. Market Area

### A. Market Area Definition

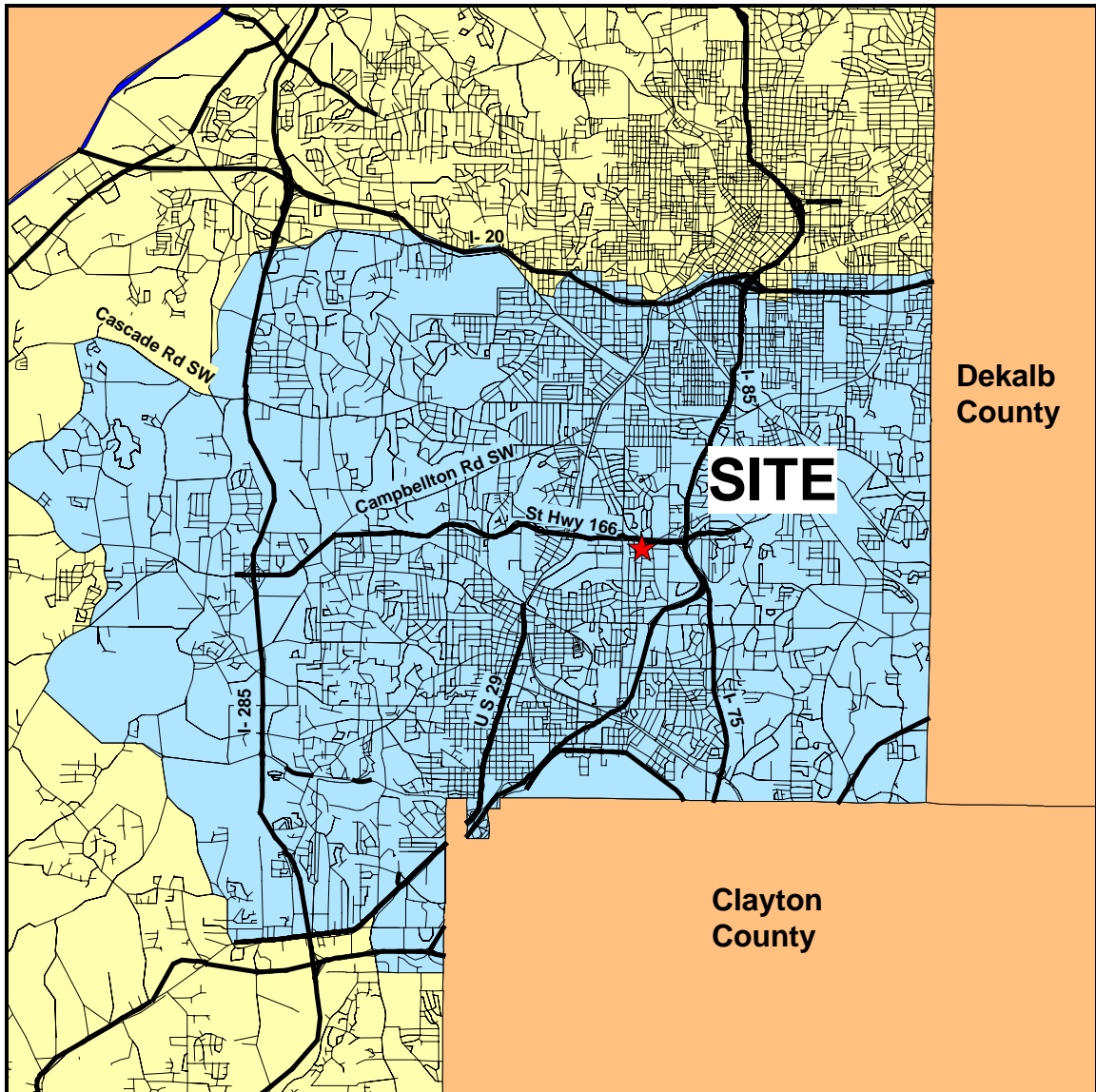
The primary market area for Lakewood Christian Manor Seniors Apartments consists of the census tracts located in southwest Fulton County. The approximate borders of this market area are Interstate 20 to the north, DeKalb County to the east, Clayton County to the south, and Camp Creek Parkway/New Hope Road to the west.

This market area was determined based on conversations with local property managers, local housing officials, and on-site analysis. The composition and housing stock is fairly consistent throughout the primary market area. There are no natural or social boundaries that would hinder the movement of renters throughout this market.

The approximate distance to the borders of this primary market area are 3.26 miles to the north, 3.52 miles to the east, 3.28 miles to the south, and 6.97 miles to the east. The primary market area includes year 2000 census tracts 0081.02, 0079, 0052, 0041, 0044, 0046, 0048, 0049, 0050, 0060, 0042, 0058, 0053, 0081.01, 0080, 0057, 0055.01, 0056, 0078.02, 0061, 0062, 0063, 0066.01, 0069, 0065, 0064, 0055.02, 0077.01, 0066.02, 0076.02, 0067, 0076.01, 0068.01, 0068.02, 0070.02, 0075, 0112.01, 0070.01, 0113.01, 0077.02, 0111, 0112.02, 0073, 0074, 0113.03, 0110, 0072, 0109, 0108, 0107, 0106.01, 0106.03, 0113.04, and 0106.04.

## B. Map of Market Area

Map 3 - Primary Market Area

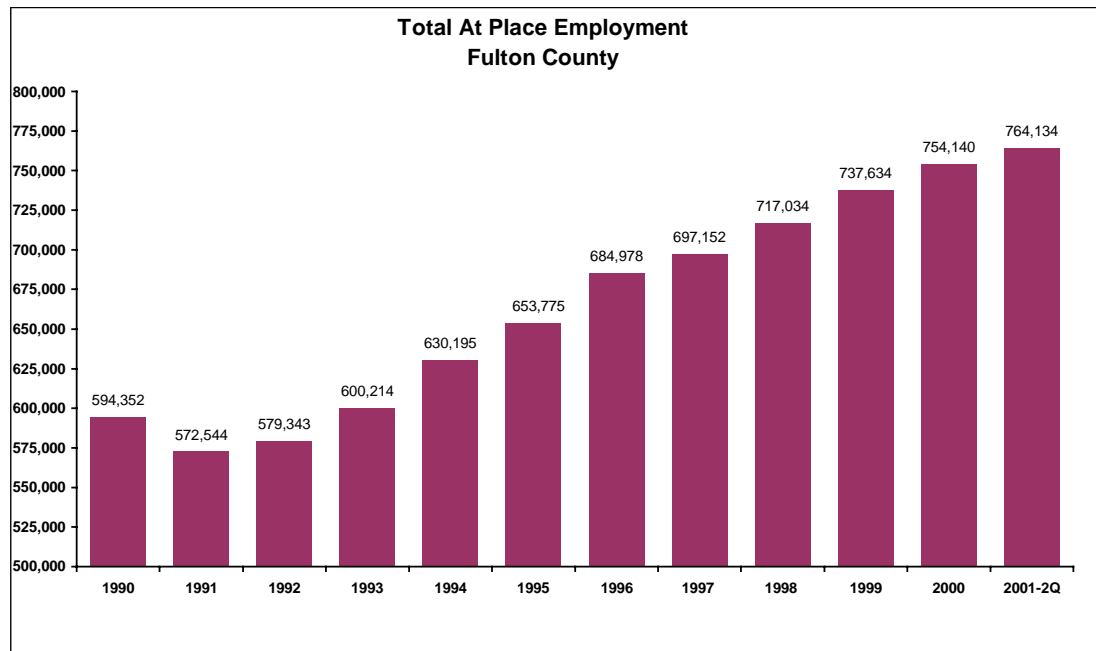


## V. Market Area Economy

### A. At Place Employment and Employment by Sector

Total at place employment has increased steadily over the past decade (Figure 2). In 2000, employment in Fulton County had reached 754,140, as job growth averaged nearly 16,000 jobs annually during the decade. Overall, the county experienced a net increase of over 159,788 jobs since 1990. Total at-place employment decreased between 1990 and 1991, but has increased each year since. This continued growth has been steady with larger than average increases experienced between 1993 and 1994 and between 1995 and 1996. Employment growth has been relatively moderate over the past three years. Initial figures indicate that total at-place employment has increased by an additional 9,994 jobs or 1.3 percent over the first two quarters of 2002. On a percentage basis, job growth in Fulton County has been higher than national employment growth over the last five years of the previous decade (Figure 3).

**Figure 2 - At Place Employment, Fulton County, Georgia**

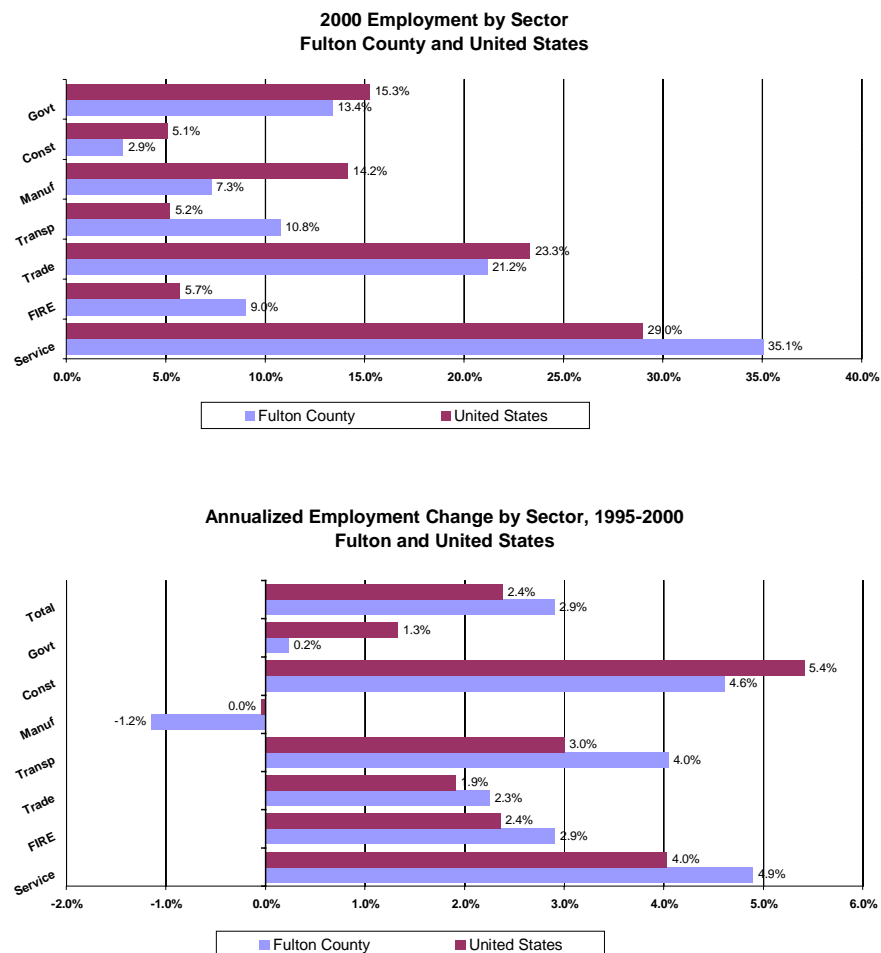


Source: Georgia Department of Labor,  
of Labor Statistics, Covered Employment and Wages (ES 202)

Bureau

At place employment figures indicate that the service sector of employment growth is fueling Fulton County's economy. The service sector had the fastest rate of growth of any sector since 1995 (4.9 percent annualized growth) and the largest share of any employment sector at 35.1 percent (Figure 3). The transportation (4.0 percent) and construction (4.6 percent) sectors also experienced above average growth, however accounted for only 10.8 percent and 2.9 percent of total employment respectively. Major employers in Atlanta and Fulton County represent a wide range of products and/or services including telecommunications, manufacturing, service, and healthcare (Table 3).

**Figure 3 - Total Employment and Employment Change by Sector, Fulton County**



Source: Georgia Department of Labor,  
Bureau of Labor Statistics, Covered Employment and Wages (ES 202)

## B. Major Employers

The majority of the major employers in the “Atlanta” area of Fulton County are located in and around downtown, within approximately ten miles of the proposed site. An additional large concentration of Fulton County’s major employers is located in the Buckhead area of the city, which is located northeast of downtown along Georgia 400. These employers are located approximately 10 to 15 miles from the proposed site and are an unlikely employment option for residents of southern Fulton County. A large employment concentration near southern Fulton County is Atlanta Hartsfield Airport, just inside the Clayton County border. Although not in the county, many of the residents of the primary market area are likely employed in or near the airport. The following table lists the largest employers in Fulton County and the region in which they are located. These employers represent several fields including utilities, food products, airlines, technology, transportation and retail/wholesale trade.

**Table 3 - Largest Employers in Fulton County**

Employer	Location
American Software, Inc	Buckhead
BellSouth Corporation	Atlanta
Blue Cross Blue Shield of GA	Buckhead
Buckhead Life Restaurant Group	Buckhead
Coca-Cola Company, The	Atlanta
Columbia West Paces Medical Center	Buckhead
Cox Enterprises, Inc.	Atlanta
Delta Airlines, Inc.	Atlanta
Genuine Parts Company	Atlanta
Georgia Pacific Corporation	Atlanta
Home Depot, Inc.	Atlanta
IBM Corporation	Buckhead
MARTA	Buckhead
Piedmont Hospital	Buckhead
Rich's	Buckhead
Ritz Carleton Buckhead	Buckhead
Southern Company, The	Atlanta
Turner Broadcasting Company	Atlanta
United Parcel Service	Atlanta

Source: Atlanta Homes Real Estate and Relocation Services



## **C. Labor Force and Unemployment**

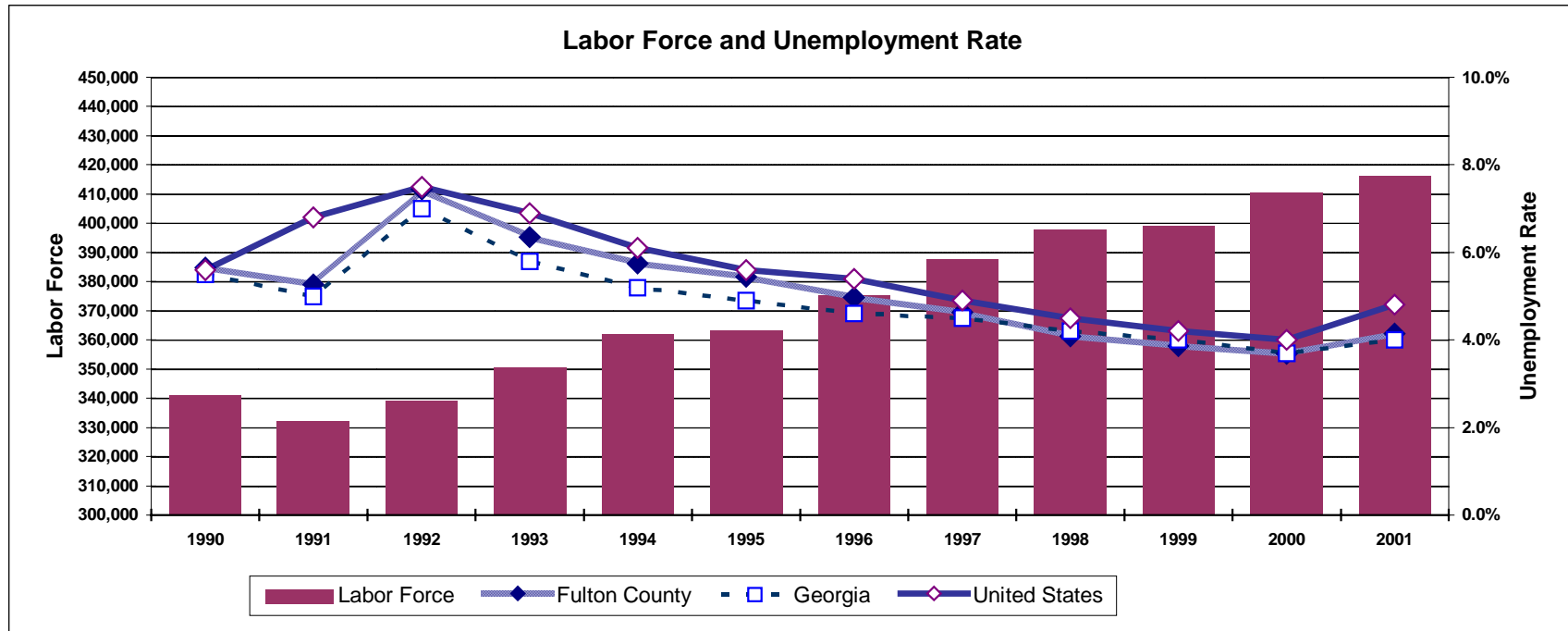
Fulton County's labor force has increased by 75,165 or 22.04 percent over the past 11 years. After an initial decline between 1990 and 1991, the labor force has continually grown since 1991. The growth has been fairly consistent and even with lower than average growth between 1994 and 1995 and between 1998 and 1999. The 2001 labor force is 1.4 percent higher than the 2000 year end total (Table 4).

The unemployment rate in Fulton County has consistently declined over the past decade with only two years experiencing an increase. The high point of the decade in terms of unemployment rate occurred in 1992, with 7.4 percent of the workforce unemployed. Eight consecutive years job growth has resulted in the decade's lowest level of unemployment at 3.7 percent. Unemployment data for 2001 shows that Fulton County's unemployment rate increased 0.4 percentage points over the past year. This is slightly higher than the increase experience by the state of Georgia (0.3 percentage points), but lower than and The United States (0.8 percentage points). It appears that Fulton County's unemployment has been impacted commensurate with the state's economy and to a lesser degree than the nation's.

**Table 4 - Labor Force and Unemployment Rates, Fulton County, Georgia**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Labor Force	341,032	332,290	339,219	350,687	361,995	363,188	375,196	387,623	397,813	399,063	410,281	416,197
Employment	321,756	314,774	314,004	328,405	341,172	343,427	356,549	369,672	381,566	383,640	395,164	398,925
Unemployment	19,276	17,516	25,215	22,282	20,823	19,761	18,647	17,951	16,247	15,423	15,117	17,272
Unemployment Rate												
Fulton County	5.7%	5.3%	7.4%	6.4%	5.8%	5.4%	5.0%	4.6%	4.1%	3.9%	3.7%	4.1%
Georgia	5.5%	5.0%	7.0%	5.8%	5.2%	4.9%	4.6%	4.5%	4.2%	4.0%	3.7%	4.0%
United States	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.8%

Source: Georgia Department of Labor, Licensing and Regulation



## VI. Community Demographic Data

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### A. Population and Household Trends

Historic growth rates for the primary market area and Fulton County are based on 1990 and 2000 Census counts. Projections are based on Claritas Data Services, Inc. growth rates for both geographies applied to the base 2000 Census data and compared to countywide population estimates developed by the Georgia State Data and Research Center. This approach is more conservative than using the more aggressive estimates made by Claritas before the release of the 2000 Census data.

Fulton County has experienced steady growth over the past decade. Fulton County's 2000 population represents an increase of 167,055 persons or 25.7 percent from 1990. The population growth rate in the primary market area has been much lower than of the county's rate at 0.9 percent during the same time period (Table 5). Based on the estimates made, the county and PMA populations are expected to grow by an additional 6.2 and 1.1 percent respectively from 2000 to 2004.

Based on 1990 and 2000 Census data, the PMA gained 1,357 households, while the entire county increased by a total of 64,102 households. The PMA's growth equates to an average annual increase of 136 households or 0.2 percent, slower than the county's annual rate of 2.3 percent.

Projections show that the PMA's household count is expected to increase by an additional 894 or 1.2 percent between 2000 and 2004. The county's rate of household growth is projected at 8.1 percent or 26,062 households during the same four year time period.

The growth rate in the primary market area is understandably lower than the county's growth due to the densely populated nature of the region. The proposed site is located in a more developed area south of downtown along Interstates 75 and 85. A large percentage of the county's growth has occurred in the northern suburbs along Georgia 400 including Sandy Springs, Roswell and Alpharetta.

## **B. Senior Population and Household Trends**

Based on 1990 and 2000 census data, the primary market area's population age 55 and older increased by 94 people or 0.3 percent. The growth in Fulton County was 18,565 people or 16.87 percent. Estimates show that the PMA's population age of 55 and older is expected to increase by 3,294 or 10.01 percent from 2000 to 2004, while the county's population age 55 and older is projected to increase by 32,728 or 25.45 percent during the same four year time period (Table 6).

From 1990 to 2000, the primary market area's number of senior householders (55+) increased from 17,819 to 21,552, which is an increase of 3,733 or 20.9 percent. Fulton County increased by 21,766 households from 60,326 to 82,092, which is an increase of 36 percent. From 2000 to 2004, it is projected that the elderly (55+) household count will increase by an additional 1,391 and 12,129 in the primary market area and Fulton County respectively (Table 7).

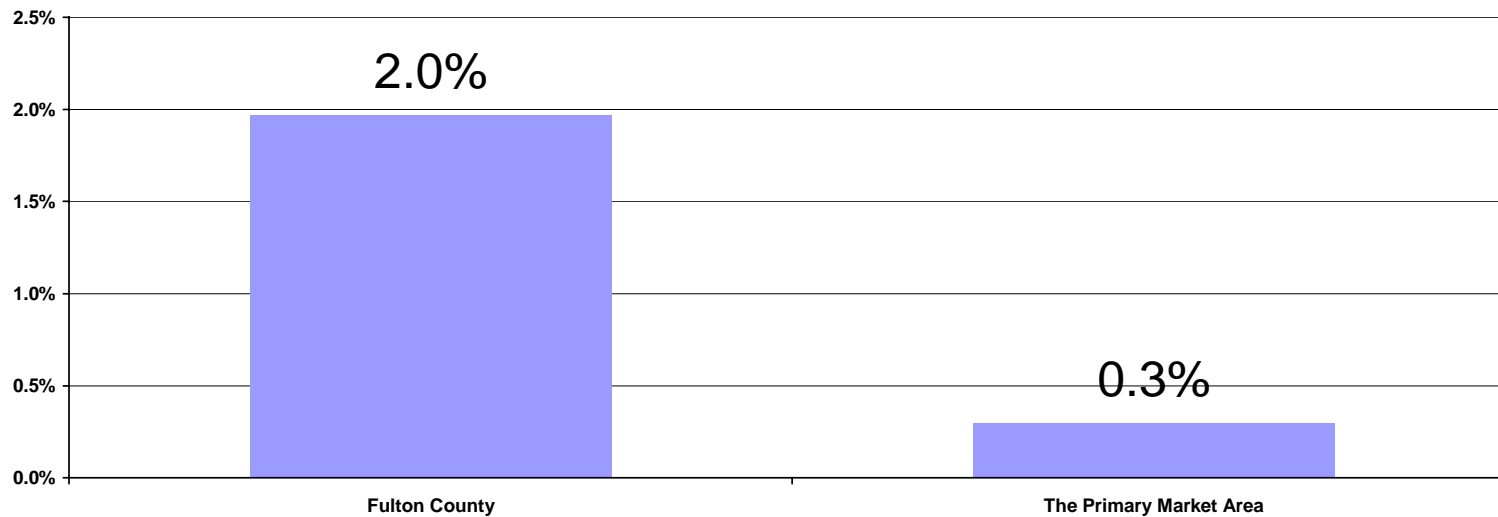
**Table 5 - Trends in Population and Households, PMA and Fulton County**

Fulton County	Change 1990 to 2000								Change 2000 to 2002				Change 2000 to 2004			
					Total		Annual		Total		Annual		Total		Annual	
	1990	2000	2002	2004	#	%	#	%	#	%	#	%	#	%	#	%
Population	648,951	816,006	840,962	866,682	167,055	25.7%	16,706	2.3%	24,956	3.1%	12,478	1.5%	50,676	6.2%	12,669	1.5%
Households	257,140	321,242	336,581	347,304	64,102	24.9%	6,410	2.3%	15,339	4.8%	7,670	2.4%	26,062	8.1%	6,515	2.0%

The Primary Market Area	Change 1990 to 2000								Change 2000 to 2002				Change 2000 to 2004			
					Total		Annual		Total		Annual		Total		Annual	
	1990	2000	2002	2004	#	%	#	%	#	%	#	%	#	%	#	%
Population	203,506	205,429	206,564	207,705	1,923	0.9%	192	0.1%	1,135	0.6%	567	0.3%	2,276	1.1%	569	0.3%
Households	73,718	75,075	75,521	75,969	1,357	1.8%	136	0.2%	446	0.6%	223	0.3%	894	1.2%	223	0.3%

Source: Projections, Real Property Research Group, Inc.  
note: annual change is compounded rate

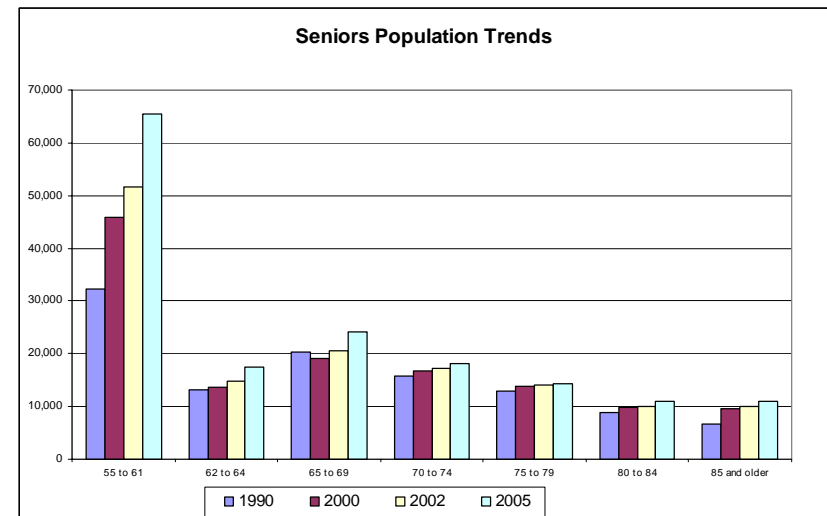
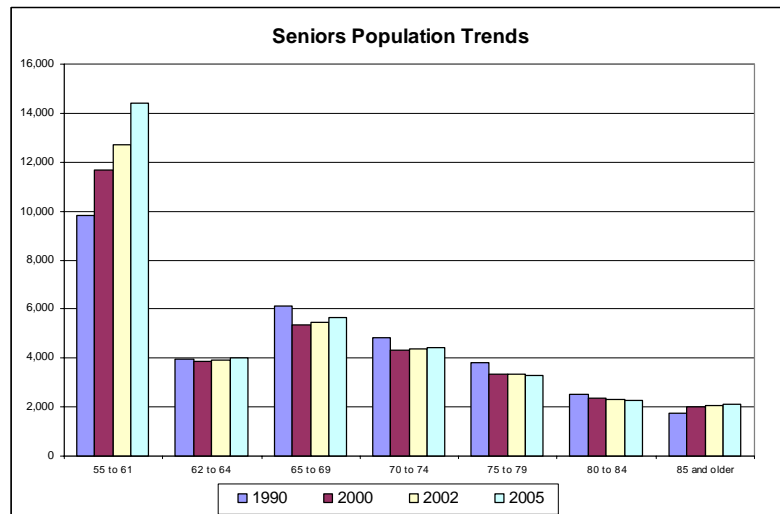
**Annual Household Growth Rate 2002-2004**



**Table 6 - Senior Population Trends, PMA and Fulton County**

The Primary Market Area								
Age of Population	1990		2000		2002		2005	
55 to 61	9,817	29.9%	11,673	35.5%	12,703	37.2%	14,422	39.9%
62 to 64	3,982	12.1%	3,844	11.7%	3,911	11.5%	4,015	11.1%
65 to 69	6,106	18.6%	5,352	16.3%	5,471	16.0%	5,654	15.6%
70 to 74	4,821	14.7%	4,307	13.1%	4,352	12.8%	4,422	12.2%
75 to 79	3,786	11.5%	3,359	10.2%	3,341	9.8%	3,315	9.2%
80 to 84	2,508	7.6%	2,358	7.2%	2,318	6.8%	2,258	6.2%
85 and older	1,774	5.4%	1,995	6.1%	2,035	6.0%	2,097	5.8%
Population 55+	32,794	100.0%	32,888	100.0%	34,132	100.0%	36,182	100.0%

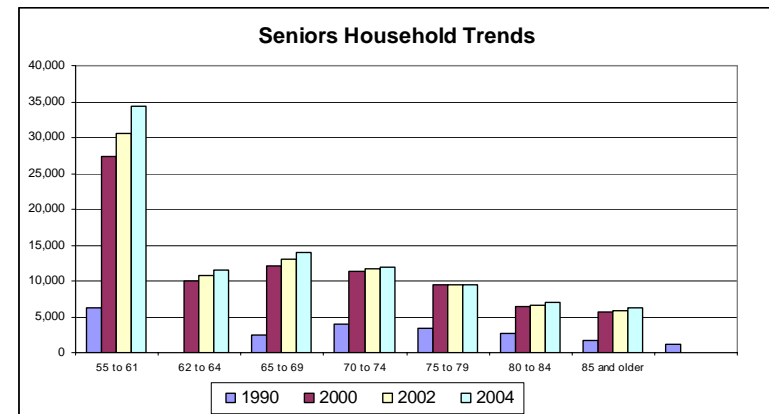
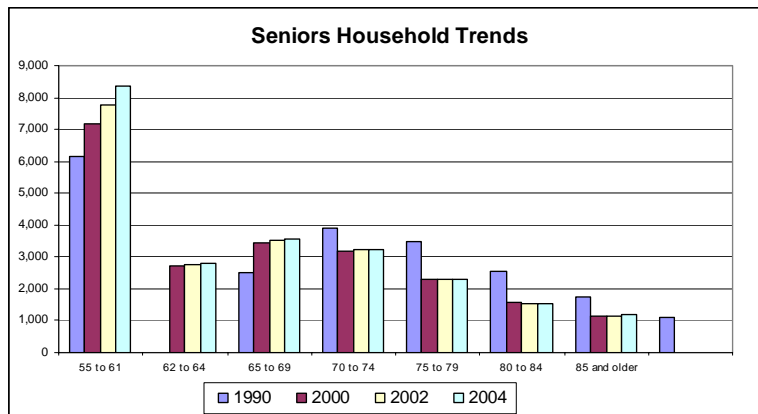
Fulton County								
Age of Population	1990		2000		2002		2005	
55 to 61	32,286	29.3%	45,923	35.7%	51,704	37.3%	65,542	40.6%
62 to 64	13,178	12.0%	13,685	10.6%	14,803	10.7%	17,322	10.7%
65 to 69	20,205	18.4%	19,125	14.9%	20,632	14.9%	24,013	14.9%
70 to 74	15,826	14.4%	16,634	12.9%	17,138	12.4%	18,192	11.3%
75 to 79	12,942	11.8%	13,896	10.8%	14,066	10.2%	14,411	8.9%
80 to 84	8,886	8.1%	9,753	7.6%	10,128	7.3%	10,920	6.8%
85 and older	6,710	6.1%	9,582	7.5%	10,010	7.2%	10,925	6.8%
Population 55+	110,033	100.0%	128,598	100.0%	138,482	100.0%	161,326	100.0%



**Table 7 - Senior Household Trends, PMA and Fulton County**

The Primary Market Area								
Age of Householder	1990		2000		2002		2004	
55 to 61	2,505	14.1%	7,178	33.3%	7,754	34.9%	8,376	36.5%
62 to 64	2,505	14.1%	2,729	12.7%	2,757	12.4%	2,784	12.1%
65 to 69	3,909	21.9%	3,443	16.0%	3,513	15.8%	3,583	15.6%
70 to 74	3,477	19.5%	3,192	14.8%	3,210	14.4%	3,227	14.1%
75 to 79	2,553	14.3%	2,295	10.6%	2,286	10.3%	2,277	9.9%
80 to 84	1,758	9.9%	1,568	7.3%	1,541	6.9%	1,515	6.6%
85 and older	1,112	6.2%	1,147	5.3%	1,164	5.2%	1,180	5.1%
Householders 55+	17,819	100.0%	21,552	100.0%	22,223	100.0%	22,943	100.0%

Fulton County								
Age of Householder	1990		2000		2002		2004	
55 to 61	8,285	13.7%	27,277	33.2%	30,576	34.8%	34,274	36.4%
62 to 64	8,285	13.7%	9,906	12.1%	10,669	12.1%	11,490	12.2%
65 to 69	12,949	21.5%	12,052	14.7%	12,951	14.7%	13,918	14.8%
70 to 74	11,407	18.9%	11,360	13.8%	11,658	13.3%	11,963	12.7%
75 to 79	8,782	14.6%	9,343	11.4%	9,419	10.7%	9,495	10.1%
80 to 84	6,298	10.4%	6,451	7.9%	6,673	7.6%	6,903	7.3%
85 and older	4,319	7.2%	5,703	6.9%	5,935	6.8%	6,177	6.6%
Householders 55+	60,326	100.0%	82,092	100.0%	87,881	100.0%	94,221	100.0%

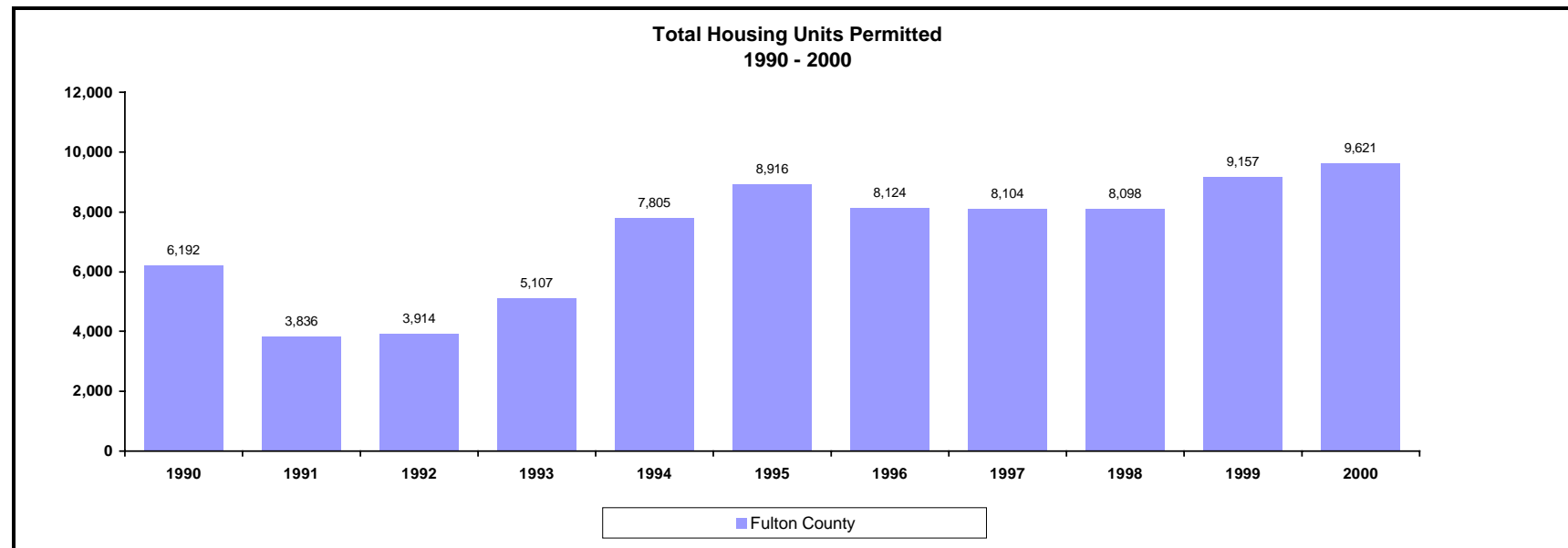


## C. Recent Building Permit Activity

Average annual permit activity in the county over the last decade was 7,170 units, higher than the average household growth of 6,410 (Table 8). According to the annual average of the past decade, 44.7 percent of the building permits have been multifamily. According to 2000 Census data, 48.0 percent of the householders in the county are renters.

**Table 8 - Fulton County Building Permits, 1990 - 2000**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990-2000	Annual
Single Family	3,174	3,392	3,743	4,137	3,980	3,801	3,654	4,435	5,011	4,791	3,446	40,390	3,960
Two Family	44	44	46	22	16	24	30	24	30	72	56	364	37
3 - 4 Family	7	0	4	8	46	7	14	7	64	59	152	361	33
5 or more Family	2,967	400	121	940	3,763	5,084	4,426	3,638	2,993	4,235	5,967	31,567	3,139
<b>Total</b>	<b>6,192</b>	<b>3,836</b>	<b>3,914</b>	<b>5,107</b>	<b>7,805</b>	<b>8,916</b>	<b>8,124</b>	<b>8,104</b>	<b>8,098</b>	<b>9,157</b>	<b>9,621</b>	<b>72,682</b>	<b>7,170</b>





## **D. Demographic Characteristics**

With the recent release of 2000 Census data, we can look at demographic characteristics of the census tracts in the primary market area and Fulton County.

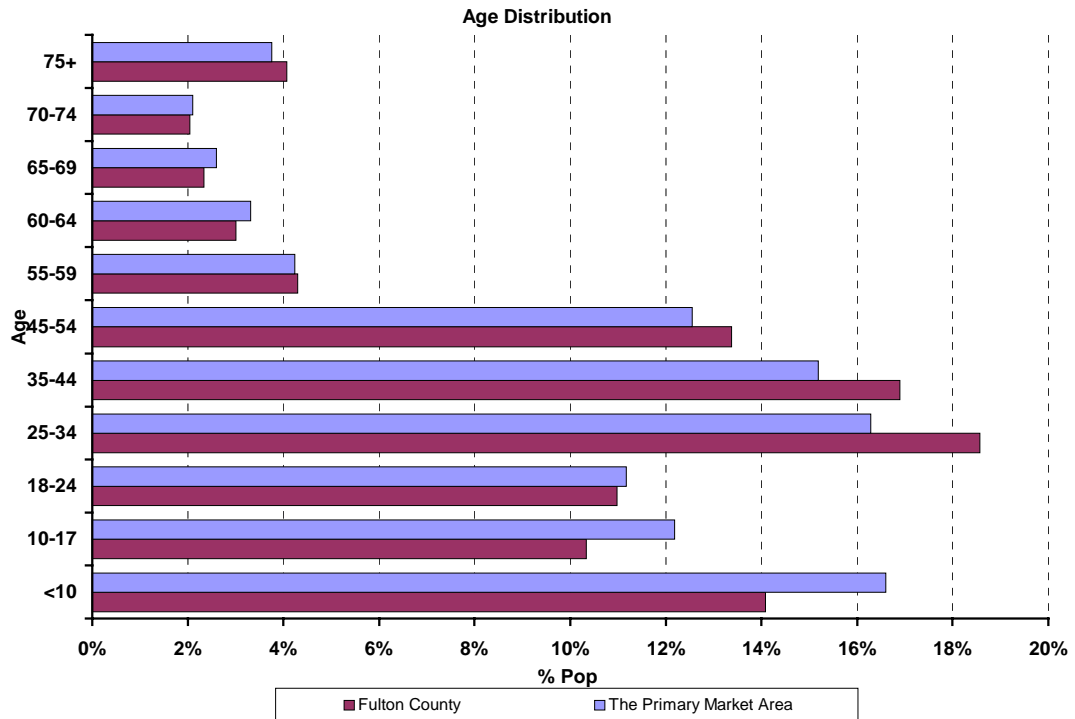
A review of the population by age bracket in the PMA versus Fulton County (Table 9) shows that the two areas have noticeable differences in terms of age of population. The primary market area has a much higher proportion of its residents under the age of 25 years old (40 percent) than does the county (35.4 percent) and between 60 and 74 years old (8 percent versus 7.3 percent). Fulton County has a higher percentage in each age bracket between the ages of 25 and 59 years of age and age 75 and older.

In terms of household types (Table 10), Fulton County has a much higher percentage of married households (37.3 versus 25.9 percent). Despite the much lower marriage rate, the primary market area has a higher rate of children present, 31.9 percent versus 28.8 percent. This is due primarily to single female householders with children. Fulton County has a higher proportion of householders living alone (Table 9). Overall, it appears that Fulton County is comprised of middle aged, married householders with children. The primary market area has more residents on either end of the age spectrum with a much lower marriage rate but more children.

**Table 9 - 2000 Age Distribution**

	Fulton County		The Primary Market Area	
	#	%	#	%
Under 10 years	114,948	14.1%	34,091	16.6%
10-17 years	84,342	10.3%	25,035	12.2%
18-24 years	89,602	11.0%	22,936	11.2%
25-34 years	151,534	18.6%	33,471	16.3%
35-44 years	137,850	16.9%	31,217	15.2%
45-54 years	109,132	13.4%	25,791	12.6%
55-59 years	35,031	4.3%	8,708	4.2%
60-64 years	24,577	3.0%	6,809	3.3%
65-69 years	19,125	2.3%	5,352	2.6%
70-74 years	16,634	2.0%	4,307	2.1%
75 and older	33,231	4.1%	7,712	3.8%
<b>TOTAL</b>	<b>816,006</b>	<b>100.0%</b>	<b>205,429</b>	<b>100.0%</b>

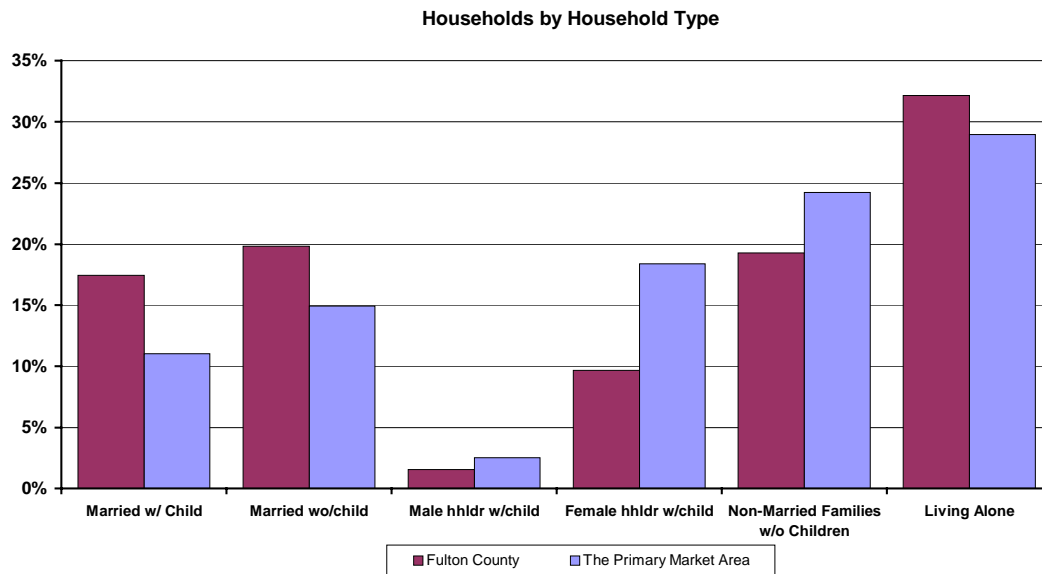
Source: U.S. Census of Population and Housing, 2000



**Table 10 - 2000 Households by Household Type**

	Fulton County		The Primary Market Area	
	#	%	#	%
Married w/ Child	56,059	17.5%	8,275	11.0%
Married wo/child	63,655	19.8%	11,190	14.9%
Male hhldr w/child	5,088	1.6%	1,913	2.5%
Female hhldr w/child	31,109	9.7%	13,793	18.4%
Non-Married Families w/o Children	61,939	19.3%	18,173	24.2%
Living Alone	103,392	32.2%	21,731	28.9%
<b>Total</b>	<b>321,242</b>	<b>100.0%</b>	<b>75,075</b>	<b>100.0%</b>

Source: U.S. Census of Population and Housing, 2000



The majority of the householders in the primary market area are renters. In contrast, a majority of Fulton County's householders are owners. In 2000, 57.7 percent of the householders in the PMA were renters (Table 11). In comparison, only 48 percent of Fulton County householders rented. Homeownership decreased by 1.4 percent over the past ten years in the market area, while homeownership increased by 2.5 percent in the county.

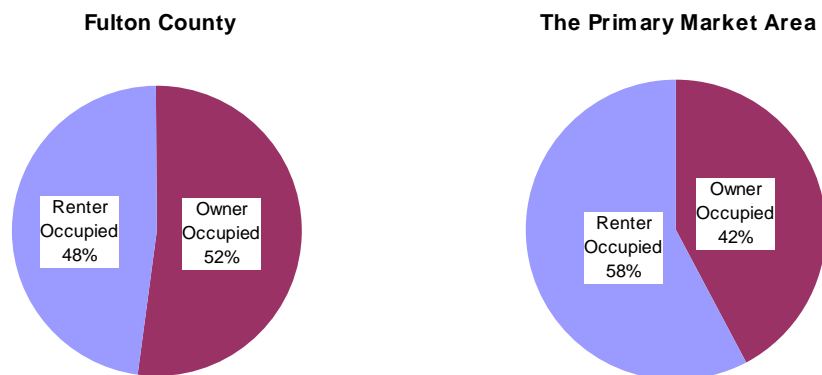
**Table 11 - 1990 & 2000 Dwelling Units by Occupancy Status**

<b>1990</b>	<b>Fulton County</b>		<b>The Primary Market Area</b>	
<b>Total Households</b>	#	%	#	%
Owner Occupied	127,318	49.5%	32,452	43.7%
Renter Occupied	129,822	50.5%	41,814	56.3%
<b>Total Occupied</b>	<b>257,140</b>	<b>100.0%</b>	<b>74,266</b>	<b>100.0%</b>

	<b>Fulton County</b>		<b>The Primary Market Area</b>	
<b>Total Households</b>	#	%	#	%
Owner Occupied	167,119	52.0%	31,781	42.3%
Renter Occupied	154,123	48.0%	43,294	57.7%
<b>Total Occupied</b>	<b>321,242</b>	<b>100.0%</b>	<b>75,075</b>	<b>100.0%</b>

Source: U.S. Census of Population and Housing, 1990 & 2000

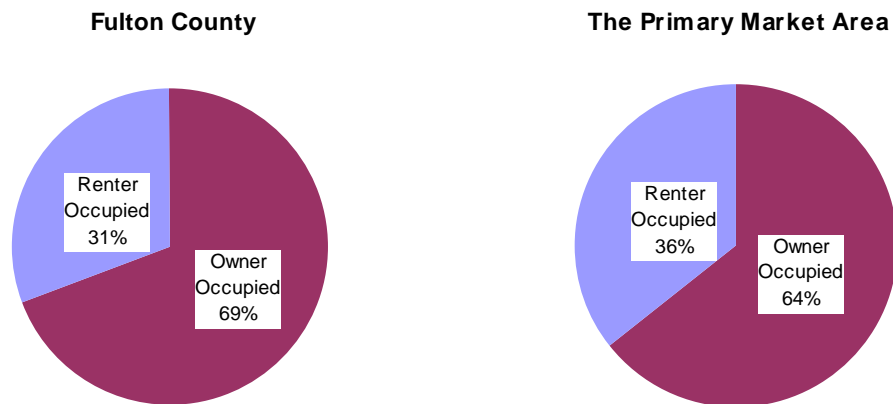


The primary market area has a higher percentage of elderly renter households as 35.7 percent of householder age 55 and older rent according to the 2000 census. In Fulton County, the renter percentage among this age group was 30.7 percent (Table 12). The renter percentage among senior households is lower than the universe of all households in both areas.

**Table 12 - 2000 Senior Household Occupancy Status**

	Fulton County		The Primary Market Area	
Senior Households 55+	#	%	#	%
Owner Occupied	56,849	69.3%	13,862	64.3%
Renter Occupied	25,243	30.7%	7,690	35.7%
<b>Total Occupied</b>	<b>82,092</b>	<b>100.0%</b>	<b>21,552</b>	<b>100.0%</b>

Source: U.S. Census of Population and Housing, 1990

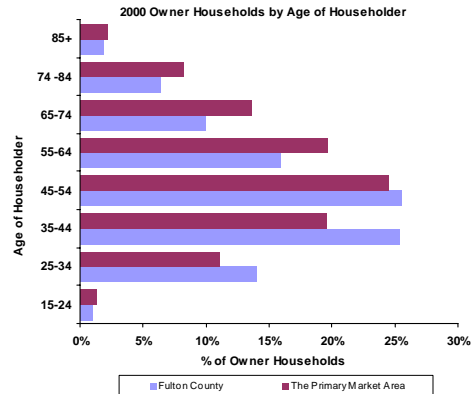
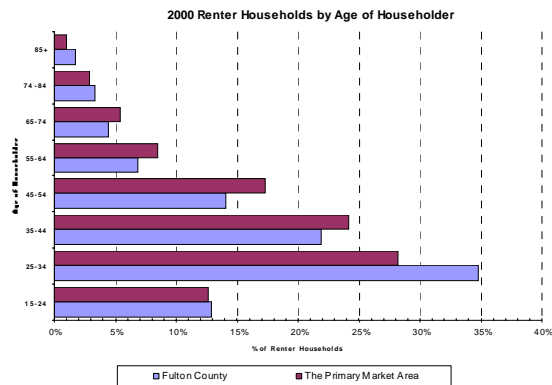


A review of the age of householder by tenure reveals that the primary market area has a higher concentration on either end of the age spectrum for owner householders (Table 13). The primary market area has a higher percentage in the lowest age bracket and in all age brackets over the age 54. Fulton County has 65.1 percent over its population between the ages of 25 and 54 while the PMA has 55.1 percent in this same age bracket. The age of households for renter households is opposite with the primary market area having a higher percentage in the middle age groups. The market area has 55.4 percent of its renter householders between the age of 35 and 74 compared to 47.1 percent in Fulton County. Fulton County has a higher percentage of renter householders under the age of 35 and over the age of 74.

**Table 13 - 2000 Households by Tenure & Age of Householder**

<b>Owner Households</b>		<b>Fulton County</b>		<b>The Primary Market Area</b>	
Age of HHldr		#	%	#	%
15-24 years		1,652	1.0%	422	1.3%
25-34 years		23,500	14.1%	3,521	11.1%
35-44 years		42,413	25.4%	6,199	19.5%
45-54 years		42,705	25.6%	7,777	24.5%
55-64 years		26,645	15.9%	6,231	19.6%
65-74 years		16,590	9.9%	4,310	13.6%
75 to 84 years		10,607	6.3%	2,617	8.2%
85+ years		3,007	1.8%	704	2.2%
<b>Total</b>		<b>167,119</b>	<b>100%</b>	<b>31,781</b>	<b>100%</b>

<b>Renter Households</b>		<b>Fulton County</b>		<b>The Primary Market Area</b>	
Age of HHldr		#	%	#	%
15-24 years		19,921	12.9%	5,444	12.6%
25-34 years		53,604	34.8%	12,204	28.2%
35-44 years		33,748	21.9%	10,458	24.2%
45-54 years		21,607	14.0%	7,498	17.3%
55-64 years		10,538	6.8%	3,676	8.5%
65-74 years		6,822	4.4%	2,325	5.4%
75 to 84 years		5,187	3.4%	1,246	2.9%
85+ years		2,696	1.7%	443	1.0%
<b>Total</b>		<b>154,123</b>	<b>100%</b>	<b>43,294</b>	<b>100%</b>



## **E. Income Characteristics**

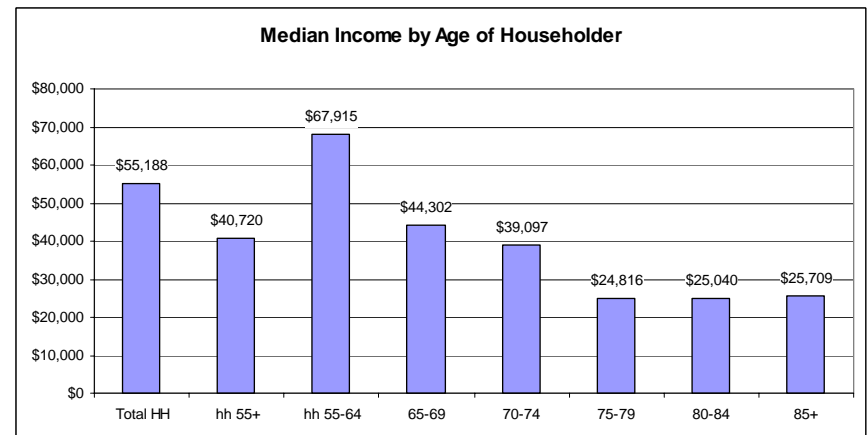
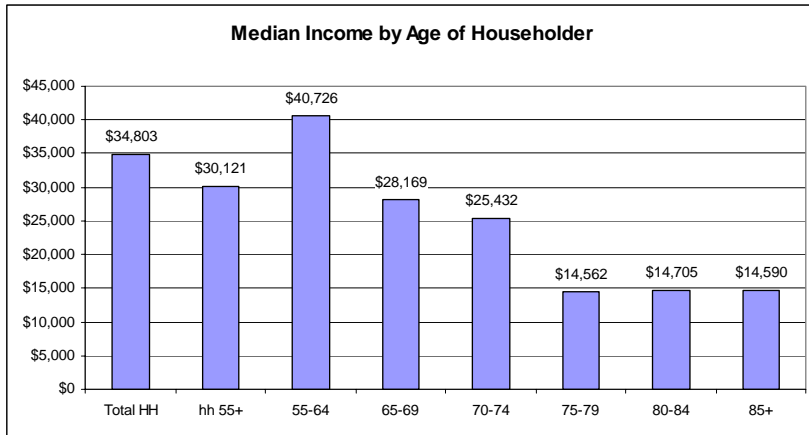
Claritas Data Services, Inc. estimates the 2001 median household income for Fulton County to be \$55,188 (Table 14). The median household income in the primary market area is \$34,803, which is approximately 96.5 percent of the county median.

The median household income for senior households (55+) is \$30,121 in the primary market area, which is approximately 74 percent of the county's median household income of \$40,720 for the same age classification. In both areas, the income from age 55 to 64 is the highest among elderly households. The median income generally decreases with each age cohort beginning with age 65. the exception to this general trend is that the income of those age 80-84 is slightly higher than those age 75-79.

**Table 14 - 2001 Household Income Distribution, PMA and Fulton County**

The Primary Market Area								
Income in 2001	Total	55+	55-64	65-69	70-74	75-79	80-84	85+
Total Households.	75,085	21,046	9,367	3,478	3,201	2,290	1,555	1,155
Under \$5,000	5,522	1,432	80	320	335	327	220	150
\$5,000-\$9,999	5,762	2,168	86	464	479	529	344	265
\$10,000-\$14,999	5,374	1,349	63	286	281	317	227	176
\$15,000-\$24,999	11,193	1,945	156	542	490	343	232	182
\$25,000-\$34,999	9,846	1,293	121	399	377	187	126	84
\$35,000-\$49,999	12,170	1,614	168	512	459	218	148	108
\$50,000-\$74,999	13,278	1,686	217	526	441	228	162	112
\$75,000-\$99,999	6,506	695	121	227	185	76	48	39
\$100,000-\$149,999	3,888	410	88	132	103	40	26	21
\$150,000-\$249,999	1,306	194	33	57	46	21	20	16
\$250,000-\$499,999	161	21	5	7	5	2	2	1
\$500,000 or More	78	11	3	6	1	1	1	0
Median Income....	\$34,803	\$30,121	\$40,726	\$28,169	\$25,432	\$14,562	\$14,705	\$14,590

Fulton County								
Income in 2001	Total	55+	55-64	65-69	70-74	75-79	80-84	85+
Total Households.	325,314	61,327	11,924	14,428	12,118	9,534	7,021	6,302
Under \$5,000	11,529	3,079	206	67	738	669	745	655
\$5,000-\$9,999	11,908	4,709	294	72	1,167	1,055	1,127	995
\$10,000-\$14,999	12,949	3,193	210	63	819	718	724	660
\$15,000-\$24,999	25,739	4,819	339	133	1,410	1,166	932	839
\$25,000-\$34,999	25,613	3,384	259	126	1,044	852	584	519
\$35,000-\$49,999	34,366	4,466	354	185	1,421	1,123	730	654
\$50,000-\$74,999	49,265	5,377	478	293	1,728	1,340	790	749
\$75,000-\$99,999	39,622	3,071	297	205	1,116	801	355	298
\$100,000-\$149,999	42,476	3,225	333	242	1,123	765	400	362
\$150,000-\$249,999	37,621	2,667	271	192	892	603	369	342
\$250,000-\$499,999	22,914	1,187	117	81	404	267	166	151
\$500,000 or More	11,310	735	74	51	256	176	99	79
Median Income....	\$55,188	\$40,720	\$67,915	\$44,302	\$39,097	\$24,816	\$25,040	\$25,709





## VII. Project Specific Demand Analysis

### A. Proposed Unit Mix and Income Limits

The following table shows the floorplans to be offered at Lakewood Christian Manor Seniors Apartments. Tax credit units are all those targeting renters earning no more than 60 percent of the Area Median Income. Any proposed market rate units will be noted as targeting 80 percent of the AMI. The “Minimum Income” column was calculated assuming that tenants will pay no more than 40 percent of their income for total housing cost for family units and no more than 40 percent for elderly units. The “Maximum Income” limit was calculated using the 2002 HUD Income Limit of \$71,200 for the Atlanta MSA, in which the project is located.

According to the 2002 Qualified Allocation Plan, maximum allowable project rents in the Atlanta MSA must be calculated using 54 percent of the Area Median Income, adjusted for household size. However, tenant eligibility for the units priced at 54 percent of the median is based on 60 percent of the AMI. The “maximum income” and “maximum gross rent” columns in the table below are based on 60 percent of the AMI, however the “planned gross rent” is based on 54 percent.

**Table 15 - Project Specific LIHTC Rent Limits, Atlanta MSA**

Floorplans & Type of Units	Maximum % of AMI	Number of Units	Bedrooms	Planned Net Rent	Utility Allowance	Planned Gross Rent	Maximum Gross Rent	Maximum Income	Minimum Income
PBRA	30%	8	0	\$297	\$0	\$297	\$374	\$14,940	\$8,910
PBRA	30%	42	1	\$365	\$0	\$365	\$401	\$16,020	\$10,950
LIHTC	30%	3	0	\$324	\$0	\$324	\$374	\$14,940	\$9,720
LIHTC	30%	14	1	\$400	\$0	\$400	\$401	\$16,020	\$12,000
LIHTC	50%	5	0	\$400	\$0	\$400	\$623	\$24,900	\$12,000
LIHTC	50%	13	0	\$324	\$0	\$324	\$623	\$24,900	\$9,720
LIHTC	50%	141	1	\$400	\$0	\$400	\$668	\$26,700	\$12,000
MKT RATE	80%	3	0	\$460	\$0	\$460	\$996	\$39,840	\$13,800
MKT RATE	80%	6	1	\$400	\$0	\$400	\$1,068	\$42,720	\$12,000
MKT RATE	80%	16	1	\$520	\$0	\$520	\$1,068	\$42,720	\$15,600

For the 50 units with project based rental assistance, there will be no minimal income limit or set rent. The rent paid will vary for each tenant and will be based on income. The rents and minimum income limits for the “PBRA” units in the table above assume that this assistance is not received.

For elderly rental communities, the maximum income limit is calculated by assuming a one person household for an efficiency unit, a one and one half person household for the one bedroom units and a two person household for the two bedroom units.

## B. Affordability Analysis

The following affordability analysis shows the penetration rate of income eligible households required to lease up the community. (Table 16). This penetration rate should not be confused with the capture rates based on DCA demand components shown in the following section.

- Using a 40 percent underwriting criteria, we determined that the average proposed 30 percent gross efficiency rent (\$304) would be affordable to households earning a minimum of \$9,134, which includes 9,831 households in the primary market area age 55 and older.
- Based on the 2002 LIHTC income limits for households at 30 percent of median income, the maximum income allowed for an efficiency unit in this market would be \$14,952. We estimate that 8,516 senior households (55+) within the primary market area have incomes above that maximum.
- Subtracting the 8,516 households with incomes above the maximum income from the 9,134 households that could afford to rent this unit, we compute that 1,315 households are within the band of being able to afford the proposed rent. The proposed 11 30 percent efficiency units would require a penetration rate of 0.8 percent of all qualified households to lease up all units. Using the same methodology, we determined the band of qualified households for each of the other bedroom types offered in the community.
- Given the income requirements of each unit type and the overlap of income bands, project wide affordability bands were calculated. Looking at all tax credit units, the project will need to absorb 7.1 percent of 3,199 senior households that earn between \$9,134 and \$26,700 in the primary market area.
- By subtracting the 6,631 senior households with income above \$26,700 from the 2004 senior household estimate (22,943), 16,312 households or 71.1 percent of all households earn below the maximum income limit for the tax credit units.
- The 3,199 households with incomes above the minimum **and** below the maximum income limit represent 13.94 percent of the total senior household count.
- Affordability by floorplan indicates that there is a sufficient number of income qualified households for all floorplans at each income level.

**Table 16 - 2004 Affordability Analysis for Lakewood Christian Manor Seniors Apartments.**

**Gross Capture Rate by Income Group**

<u>Number of Units</u>			<u>Band of Qualified HHs</u>		<u># Qualified HHs</u>		
30% Units	67	<i>Income</i>	\$9,134	\$16,020	1,493	<b>4.5%</b>	<b>Capture Rate</b>
		<i>HHs</i>	9,831	8,337			
50% Units	159	<i>Income</i>	\$10,356	\$26,700	2,907	<b>5.5%</b>	<b>Penetration Rate</b>
		<i>HHs</i>	9,539	6,631			
All LIHTC Units	226	<i>Income</i>	\$9,134	\$26,700	3,199	<b>7.1%</b>	<b>Penetration Rate</b>
		<i>HHs</i>	9,831	6,631			
Market Rate Units	25	<i>Income</i>	\$13,803	\$42,720	4,007	<b>0.6%</b>	<b>Penetration Rate</b>
		<i>HHs</i>	8,772	4,764			

**Table 17 - 2004 Affordability Analysis for Lakewood Christian Manor Seniors Apartments, by floorplan.**

**Capture Rate by Unit Type**

30% Units	Efficiency Units			One Bedroom Units			
	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum	
	Number of Units	11		Number of Units	56		
	Net Rent	\$304		Net Rent	\$374		
	Gross Rent	\$304		Gross Rent	\$374		
	% Income for Shelter	40%		% Income for Shelter	40%		
	Income	\$9,134	\$14,952	Income	\$11,216	\$16,020	
	Range of Qualified Hslds	9,831	8,516	Range of Qualified Hslds	9,347	8,337	
# Qualified Households		1,315	# Qualified Households		1,010		
Unit Capture Rate			0.8%	Unit Capture Rate			5.5%
50% Units	Efficiency Units			One Bedroom Units			
	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum	
	Number of Units	18		Number of Units	141		
	Net Rent	\$345		Net Rent	\$400		
	Gross Rent	\$345		Gross Rent	\$400		
	% Income for Shelter	40%		% Income for Shelter	40%		
	Income	\$10,356	\$24,920	Income	\$12,003	\$26,700	
	Range of Qualified Hslds	9,539	6,870	Range of Qualified Hslds	9,172	6,631	
# Qualified Households		2,668	# Qualified Households		2,541		
Unit Penetration Rate			0.7%	Unit Penetration Rate			5.5%
Market Rate (80%)	Efficiency Units			One Bedroom Units			
	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum	
	Number of Units	3		Number of Units	22		
	Net Rent	\$460		Net Rent	\$487		
	Gross Rent	\$460		Gross Rent	\$487		
	% Income for Shelter	40%		% Income for Shelter	40%		
	Income	\$13,803	\$39,840	Income	\$14,621	\$42,720	
	Range of Qualified Hslds	8,772	5,049	Range of Qualified Hslds	8,590	4,764	
# Qualified Households		3,722	# Qualified Households		3,825		
Unit Capture Rate			0.1%	Unit Capture Rate			0.6%

## **C. Demand Estimates and Capture Rates**

DCA's demand methodology for senior rental developments consists of four components and is calculated using the developer's designation of older persons (55+).

The first component of demand is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 1990 US Census data, the percentage of households in Atlanta that are "substandard" is 4.38 percent.

The second component of demand is population growth. This number is the number of age and income qualified renter households anticipated to move into the market area within the next two years.

The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to 1990 Census data, 35.24 percent of the primary market area's renter households are categorized as cost burdened. This segment of demand is often overstated in urban areas because households are also included in other demand segments and they are all not likely to move. Furthermore, as the minimum income limit for senior units is calculated assuming that the tenants can pay up to 40 percent of income for housing, many in this segment would still be technically rent overburdened in the proposed community. For these reasons, only 35 percent of the demand from cost burdened households is considered achievable.

The final component of demand is from homeowners converting to rental housing. There is a lack of detailed local or regional information regarding the movership of elderly homeowners to rental housing. According to the American Housing Survey conducted for the U.S. Census Bureau in 1999, 4.19 percent of elderly households move each year. Of those moving within the past twelve months, 38.79 percent moved from owned to rental housing. Given the lack of local information, this source is considered to be the most current and accurate.

Although the majority of the units will not offer project based rental subsidies for all units, Section 8 vouchers will be accepted. Given the lack of affordable housing in the area, many of the units at Lakewood Christian Manor Seniors Apartments are expected to be leased by holders of Section 8 vouchers. The capture rate for the 226 tax credit units at Lakewood Christian Manor Seniors Apartments is 4.2 percent without a minimum income limit and 17.9 percent with a minimum income limit. These capture rates are considered achievable given the state of the existing senior rental housing market. Furthermore, the proposed development has 241 of 250 units currently occupied. It is assumed that no more than 10 percent of the units at Lakewood Christian Manor Seniors Apartments will become vacant during the renovation process. The functional capture rates of the proposed development are actually much lower.

The demand for the 25 market rate units is 2.0 percent with a minimum income limit. The minimum income requirement will apply to all market rate units.

**Table 18 - Tax Credit Demand Estimates, Lakewood Christian Manor Seniors Apartments**

<i>For Tax Credit Units</i>		<i>For Tax Credit Units Demand</i>	
<i>Demand From Renters</i>	<i>The Primary</i>	<i>From Renters Earning &lt;</i>	<i>The Primary</i>
<i>Earning &lt; \$26700</i>	<i>Market Area</i>	<i>\$26700 and &gt; \$8910</i>	<i>Market Area</i>
Substandard Households	268	Substandard Households	63
Household Growth	192	Household Growth	45
Cost Burdened	2,153	Cost Burdened	503
Home to Apt Migration	2,788	Home to Apt Migration	652
<b>Total Demand</b>	<b>5,400</b>	<b>Target Segment Demand</b>	<b>1,263</b>
Units in Subject Property	226	Units in Subject Property	226
Capture Rate	4.2%	Target Segment Capture Rate	17.9%

**Table 19 - Market Rate Demand Estimates, Lakewood Christian Manor Seniors Apartments**

<i>For Market Rate Units Demand</i>	
<i>From Renters Earning &lt; \$42720 and &gt; \$12000</i>	<i>The Primary Market Area</i>
Substandard Households	63
Household Growth	45
Cost Burdened	504
Home to Apt Migration	653
<b>Target Segment Demand</b>	<b>1,265</b>
Units in Subject Property	25
Target Segment Capture Rate	2.0%

**Table 20 - Detailed Tax Credit Demand Estimates, Lakewood Christian Manor Seniors Apartments**

*Demand for Tax Credit Units from Substandard Households*

<div>2004 Households 55+</div> <div>22,943</div>	times	<div>% Substandard Households</div> <div>4.38%</div>	equals	<div>2004 Substandard Households 55+</div> <div>1,005</div>
<div>2004 Substandard Households 55+</div> <div>1,005</div>	times	<div>% of Renters Per Census</div> <div>36%</div>	equals	<div>Substandard Renter Households 55+</div> <div>359</div>
<div>Substandard Renter Households 55+</div> <div>359</div>	times	<div>% Earning &lt; \$26,700 &amp; &lt; \$8,910</div> <div>17.43%</div>	equals	<div>Substandard Renter Households 55+ Earning &lt; \$26,700 &amp; &gt; \$8,910</div> <div>63</div>
<div>Substandard Renter Households 55+</div> <div>359</div>	times	<div>% Earning &lt; \$26,700</div> <div>74.58%</div>	equals	<div>Substandard Renter Households 55+ Earning &lt; \$26,700</div> <div>268</div>



***Demand for Tax Credit Units from Household Growth***

2004 Households 55+		2002 Households 55+			Population Change
22,943	minus	22,223	equals		720
Population Change		% of Renters Per Census			Renter Household Change
720	times	35.70%	equals		257
New Renter Households 55+		% Earning < \$26,700 & < \$8,910			New Renter Households 55+ Earning < \$26,700 & > \$8,910
257	times	17.43%	equals		45
New Renter Households 55+		% Earning < \$26,700			New Renter Households 55+ Earning < \$26,700
257	times	74.58%	equals		192

***Demand for Tax Credit Units from Cost Burdened Renters***

2004 Households 55+		% of Renters Per Census			2004 Renter Households 55+
22,943	times	35.70%	equals		8,191
2004 Renter Households 55+		% Cost Burdened			Cost Burdened Renter Households 55+
8,191	times	35.24%	equals		2,887
2004 Cost Burdened Renter Households 55+		% Earning < \$26,700 & < \$8,910			Cost Burdened Renter Households 55+ Earning < \$26,700 & > \$8,910
2,887	times	17.43%	equals		503
2004 Cost Burdened Renter Households 55+		% Earning < \$26,700			Cost Burdened Renter Households 55+ Earning < \$26,700
2,887	times	74.58%			2,153

***Demand for Tax Credit Units from Homeowners Becoming Renters***

<table><tr><td>2004 Households 55+</td></tr><tr><td>22,943</td></tr></table>	2004 Households 55+	22,943	times	<table><tr><td>% Moving within 12 Months</td></tr><tr><td>42.00%</td></tr></table>	% Moving within 12 Months	42.00%	equals	<table><tr><td>2004 Households 55+ Likely to Move</td></tr><tr><td>9,636</td></tr></table>	2004 Households 55+ Likely to Move	9,636
2004 Households 55+										
22,943										
% Moving within 12 Months										
42.00%										
2004 Households 55+ Likely to Move										
9,636										
<table><tr><td>2004 Households 55+ Likely to Move</td></tr><tr><td>9,636</td></tr></table>	2004 Households 55+ Likely to Move	9,636	times	<table><tr><td>% of those moving to from owned to rental housing</td></tr><tr><td>38.79%</td></tr></table>	% of those moving to from owned to rental housing	38.79%	equals	<table><tr><td>2004 Households 55+ Moving to Rental Housing</td></tr><tr><td>3,738</td></tr></table>	2004 Households 55+ Moving to Rental Housing	3,738
2004 Households 55+ Likely to Move										
9,636										
% of those moving to from owned to rental housing										
38.79%										
2004 Households 55+ Moving to Rental Housing										
3,738										
<table><tr><td>2004 Households 55+ Moving to Rental Housing</td></tr><tr><td>3,738</td></tr></table>	2004 Households 55+ Moving to Rental Housing	3,738	times	<table><tr><td>% Earning &lt; \$26,700 &amp; &lt; \$8,910</td></tr><tr><td>17.43%</td></tr></table>	% Earning < \$26,700 & < \$8,910	17.43%	equals	<table><tr><td>Substandard Households 55+ Earning &lt; \$26,700 &amp; &gt; \$8,910</td></tr><tr><td>652</td></tr></table>	Substandard Households 55+ Earning < \$26,700 & > \$8,910	652
2004 Households 55+ Moving to Rental Housing										
3,738										
% Earning < \$26,700 & < \$8,910										
17.43%										
Substandard Households 55+ Earning < \$26,700 & > \$8,910										
652										
<table><tr><td>Substandard Households Earning &lt; \$26,700</td></tr><tr><td>3,738</td></tr></table>	Substandard Households Earning < \$26,700	3,738	times	<table><tr><td>% Earning &lt; \$26,700</td></tr><tr><td>74.58%</td></tr></table>	% Earning < \$26,700	74.58%		<table><tr><td>Demand from Substandard Renter Households</td></tr><tr><td>2,788</td></tr></table>	Demand from Substandard Renter Households	2,788
Substandard Households Earning < \$26,700										
3,738										
% Earning < \$26,700										
74.58%										
Demand from Substandard Renter Households										
2,788										

## D. Tax Credit Demand Estimates and Capture Rates by Floorplan

**Table 21 - Demand Estimates and Capture Rates by Floorplan**

	Efficiency	One Bedroom
Demand from Substandard HH	359	359
Demand from New Rental HH	257	257
Demand from Cost Burdened Rental HH (35%)	1,010	1,010
Homeowners Becoming Renters	3,738	3,738
PMA Total Demand	5,364	5,364
PMA Income Qualified %	25.59%	24.14%
PMA Qualified Demand	1,373	1,295
Units	29	197
Capture Rate	2.11%	15.21%

The “PMA Total Demand” figure shown in the table above shows the demand from the four DCA stipulated components without income affordability applied. The percentages of the total households earning within the various floorplan specific income segments are then applied to this total demand number. The capture rates by floorplan indicate that the unit mix is appropriate. These capture rates are in line with the overall capture rate for the tax credit units at Lakewood Christian Manor Seniors Apartments.

## E. Absorption Estimate

As the proposed development is a renovation of an existing community, only the units that become vacant during the renovation process will need to be absorbed by the demand estimates calculated in the preceding sections. It is assumed that no more than 10 percent or 25 units will be vacant at the end of the rehab process. Based on the strong demand estimates, lack of available affordable senior rental units, and the existing occupancy rate (95.4 percent), it is assumed that Lakewood Christian Manor Seniors Apartments will attain 95 percent occupancy within one to two months after renovation.

## VIII. Supply Analysis

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### A. Area Housing Stock

The rental housing stock as reported in the 1990 Census included a relatively low percentage of single-family homes with 14 percent of the county's rental units located in single-family detached homes. In the primary market area, 19 percent of the rental units were single-family homes. In Fulton County, 9 percent of rental units were in either townhouse or duplex units. Approximately 11 percent of the PMA's rental stock falls into either of these categories.

A sizable percentage of the rental units, 56 percent, in the primary market area had between three and nineteen units. In Fulton County, 56 percent of units were in properties of this size.

Rental communities with twenty or more units accounted for 13 percent of the total rental housing stock in the primary market area and 19 percent in the county. Given the lack of new construction in the market area within the past ten years, it is unlikely that this composition has changed significantly.

In the primary market area, less than 1 percent of the rental units were mobile homes. Fulton County had less than one percent of its rental housing stock in mobile home units. This low percentage of mobile homes is expected given the densely populated urban nature of the market area and Fulton County.

**Table 22 - 1990 Units in Rental Housing**

<i>Units in Rental Housing</i>	<i>Fulton County</i>		<i>The Primary Market Area</i>	
Renter 1 unit detached	18,459	14%	7,926	19%
Renter 1 unit attached	4,193	3%	1,215	3%
Renter 2 units	7,168	6%	3,227	8%
Renter 3 or 4 units	14,748	11%	6,507	16%
Renter 5 to 9 units	29,633	23%	9,651	23%
Renter 10 to 19 units	28,775	22%	7,193	17%
Renter 20 to 49 units	10,997	8%	2,619	6%
Renter 50+ units	13,995	11%	2,741	7%
Renter mobile home	309	0%	159	0%
Renter other	1,545	1%	576	1%

## **B. Rental Market**

As part of this analysis, Real Property Research Group surveyed 20 rental communities identified within the primary market area. Five of these communities are restricted to elderly tenants. All other properties were included for illustrative purposes as these communities are the only other rental housing options for elderly renters. A profile sheet of each community is attached as Appendix 4 - Community Photos and Profiles. The location of each community is shown on Map 4 on the following page.

The twenty properties offer a combined 3,229 units with 957 of those contained within the five senior oriented rental communities (Table 23). The majority of the units among the general occupancy developments are located within garden style units, although townhouse and single story units are represented in the mix. Similar to the proposed development, four of the five senior communities are high rise towers with the fourth being a mid-rise building with a common entrance.

The multifamily rental stock in the primary market area is fairly old. The average age of the twenty communities is 19 years. The sub-averages of the general occupancy and senior communities are the same. These existing rental communities represent a wide range of condition and upkeep. The average community has been relatively well maintained and shows a minimal amount of deferred maintenance. Several communities show severe signs of neglect and deferred maintenance. In general, the senior communities are better maintained than the general occupancy communities.

Of the 3,229 units in the surveyed properties, 103 units were reported available, a rate of 3.19 percent. When broken out by property type, the senior communities have a 0.8 percent vacancy rate compared to 4.2 percent for the general occupancy developments. Among the 957 units in senior oriented properties, only 8 units are vacant. This is a definite indication of demand for senior units. The current vacancy rate at Lakewood Christian Manor Seniors Apartments is only 3.6 percent.

Map 4 - Surveyed Rental Communities



**Table 23 - Rental Summary**

						(1)	(1)	
Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Average 0BR Rent	Average 2BR Rent	Incentive
Multi-Family								
The Villages at Carver	2002	Garden	220	0	0.0%		\$684	None
Franklin Village	1962	Garden	72	3	4.2%		\$620	None
Summerdale Commons	1975	Garden/TH	244	0	0.0%		\$553	None
Colonial Square Apartments	1974	Townhouse	192	4	2.1%			None
Highbury Court	1972	Garden	128	10	7.8%		\$521	None
The Woods at Glenrose	1969	Garden	142	0	0.0%		\$550	None
Manor III Apartments	1962	Garden	50	1	2.0%		\$495	None
Brighton Court	1968	Garden	100	14	14.0%		\$520	\$200 off first months rent.
La Mancha Apts	1960	Garden	80	2	2.5%		\$495	\$100 off 1st month's rent
Caribu Apartments	1980	Garden	166	0	0.0%		\$494	None
Crescent Hills	1969	Garden	252	0	0.0%		\$475	None
Airport North Apts	1966	Garden	252	52	20.6%		\$475	None
DeLowe Village Apts	1971	Garden	152	0	0.0%		\$425	None
Cleveland East		Single-story	30	0	0.0%			None
Amal Heights	1990	TH	192	9	4.7%			None
Sub-Total/Average	1973		2272	95	4.2%		\$526	
Senior								
Columbia Colony Senior	2001	Mid-Rise	120	2	1.7%		\$650	None
Atlanta Napfe Elderly High-Rise	1989	High-rise	97	0	0.0%	\$779	\$830	None
Briarcliff Summit Senior	1928	High-rise	200	2	1.0%	\$662	\$728	None
Baptist Towers Senior	1972	High-rise	300	2	0.7%	\$347	\$416	None
Trinity Towers Senior	1975	High-rise	240	2	0.8%		\$429	None
Sub-Total/Average	1973		957	8	0.8%	\$596	\$611	
Total/Average	1973		3,229	103	3.19%	\$596	\$551	

(1) Rent is gross rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. June, 2002.

Four of the five senior oriented communities include the cost of all utilities in the price of rent (Table 25). The majority of the general occupancy developments include only the cost of water, sewer, and trash removal. Lakewood Christian Manor Seniors Apartments will include the cost all utilities thereby including the same or more utilities than all of the communities surveyed.

Eleven properties offer a dishwasher and six offer garbage disposals in each kitchen. Six communities offer both of these kitchen appliances while nine offer neither a dishwasher nor a garbage disposal. None five senior oriented communities offer either of these amenities. None of the surveyed properties includes a microwave in each kitchen. Lakewood Christian Manor Seniors Apartments will not include a

garbage disposal nor a dishwasher, thereby remaining equal to the existing senior communities.

The majority of the properties offer a patio or balcony on most or all units. Eighteen of 20 communities offer common laundry areas, one offer a washer and dryer in each unit and one offers no laundry facilities. Two of the properties with common laundry facilities also include washer/dryer connections in each unit. All of the senior communities include common laundry facilities with no hookups. Parking is free in surface lots for all communities. In terms of security, nine of the twenty communities has controlled access through the use of security gates or locked common entrances. Lakewood Christian Manor Seniors Apartments will include a common secured entrance with limited access.

As the majority of the existing rental communities are general occupancy in nature, any included recreational amenities are geared toward families (Table 24). Amenities including pools, playgrounds, and tennis courts are not important to elderly communities as they are to family oriented developments. The senior oriented communities generally include community gathering areas and exercise facilities. Lakewood Christian Manor Seniors Apartments will be competitive with its proposed recreation facilities, which include an exercise room, shuffleboard court, library, computer lab, and a community garden.

Among the twenty properties surveyed, 3 offer efficiency units, 17 offer one bedroom units, 17 offer two bedroom units, and 8 offer three bedroom units. Among the 13 properties able to provide a unit mix breakdown, 10 percent of the units were efficiency units, 41 percent were one bedroom units, 47 percent were two bedroom units and 2 percent were three bedroom units. Lakewood Christian Manor Seniors Apartments will consist of efficiency and one bedroom units reserved for senior renter households. This unit mix is compatible with the unit mix among the existing senior communities in the primary market area. The proposed unit mix at Lakewood Christian Manor Seniors Apartments is comparable with the existing rental stock and appears to be appropriate. As the development is a renovation of an existing community, it will not alter the composition of the primary market area's rental stock.

Street rents were adjusted to reflect inclusions of utilities and incentives. Efficiency units range from 400 to 428 square feet and have net rents from \$347 to



\$779. The average efficiency net rent is \$596 per month for 414 square feet or \$1.44 per square foot. One-bedroom units range from 475 to 900 square feet and have net rents between \$415 and \$674 per month. The average one-bedroom net rent is \$546 per month for 662 square feet or \$0.82 per square foot. Two-bedroom units range from 650 to 1,123 square feet and have net rents between \$475 and \$853 per month. The average two-bedroom net rent is \$639 per month for 929 square feet or \$0.69 per square foot. The proposed tax credit rents and rents per square foot at Lakewood Christian Manor Seniors Apartments are lower than the average among existing properties. These competitive rents at Lakewood Christian Manor Seniors Apartments will be accompanied by newly renovated units, a convenient location, and competitive amenities. The proposed rents at Lakewood Christian Manor Seniors Apartments are appropriate and reasonable.

**Table 24 - Recreational Amenities of Communities**

APARTMENT	Clubhouse	Pool	Tennis	Playground	Fitness Center	Jacuzzi
Atlanta Napfe Elderly	Yes	No	No	No	Yes	No
Baptist Towers	Yes	No	No	No	No	No
Briarcliff Summit	Yes	No	No	No	No	No
Columbia Colony	Yes	No	Yes	No	Yes	No
Trinity Towers	Yes	No	No	No	No	No
Airport North	No	No	No	No	No	No
Amal Heights	No	No	No	No	No	No
Brighton Court	No	No	No	No	No	No
Caribu	No	No	No	No	No	No
Cleveland East	No	No	No	Yes	No	No
Colonial Square	No	No	No	Yes	No	No
Crescent Hills	No	No	No	Yes	No	No
Delowe Village	No	No	No	Yes	No	No
Franklin Village	No	No	No	No	No	No
Highbury Court	No	No	No	Yes	No	No
La Mancha	No	No	No	No	No	No
Manor III	No	No	No	No	No	No
Summerdale Commons	No	No	No	Yes	No	No
Villages at Carver	Yes	Yes	No	Yes	Yes	No
Woods at Glenrose	Yes	No	No	Yes	No	No

**Table 25 - Features of Rental Communities in Primary Market Area**

Project	Heat	Who Pays? (Landlord or Tenant)					Kitchen			Laundry	Parking	Security
	Fuel	Heat	Hot Water	Cooking	Water	D/W	Micro	Disposal				
Atlanta Napfe Elderly	Elec	L	L	L	L					Facility	Surface	Alarm/Gated
Baptist Towers	Elec	L	L	L	L					Facility	Surface	
Briarcliff Summit	Elec	L	L	L	L					Facility	Surface	
Columbia Colony	Elec	T	T	T	L					Facility	Surface	Gated
Trinity Towers	Elec	L	L	L	L					Facility	Surface	Entrance
Airport North	Gas	T	T	T	L					Facility	Surface	
Amal Heights	Gas	T	T	T	T	yes				Facility	Surface	
Brighton Court	Gas	T	T	T	T	yes				Facility	Surface	
Caribu	Gas	T	T	T	T					None	Surface	
Cleveland East	Elec	T	T	T	L					Facility	Surface	
Colonial Square	Elec	T	T	T	T	yes				Facility	Surface	Gated
Crescent Hills	Gas	T	T	T	T	yes		yes		Facility	Surface	Gated
Delowe Village	Elec	T	T	T	L	yes		yes		Facility/Hookups	Surface	Gated
Franklin Village	Gas	L	L	L	L	yes				Facility	Surface	
Highbury Court	Elec	T	T	T	T	yes				Facility	Surface	
La Mancha	Gas	T	T	T	L	yes		yes		Facility	Surface	
Manor III	Elec	T	T	T	L					Facility	Surface	
Summerdale Commons	Elec	T	T	T	T	yes		yes		Facility/Hookups	Surface	Gated
Villages at Carver	Elec	T	T	T	L	yes		yes		In Units	Surface	Gated
Woods at Glenrose	Elec	T	T	T	L	yes		yes		Facility	Surface	Gated

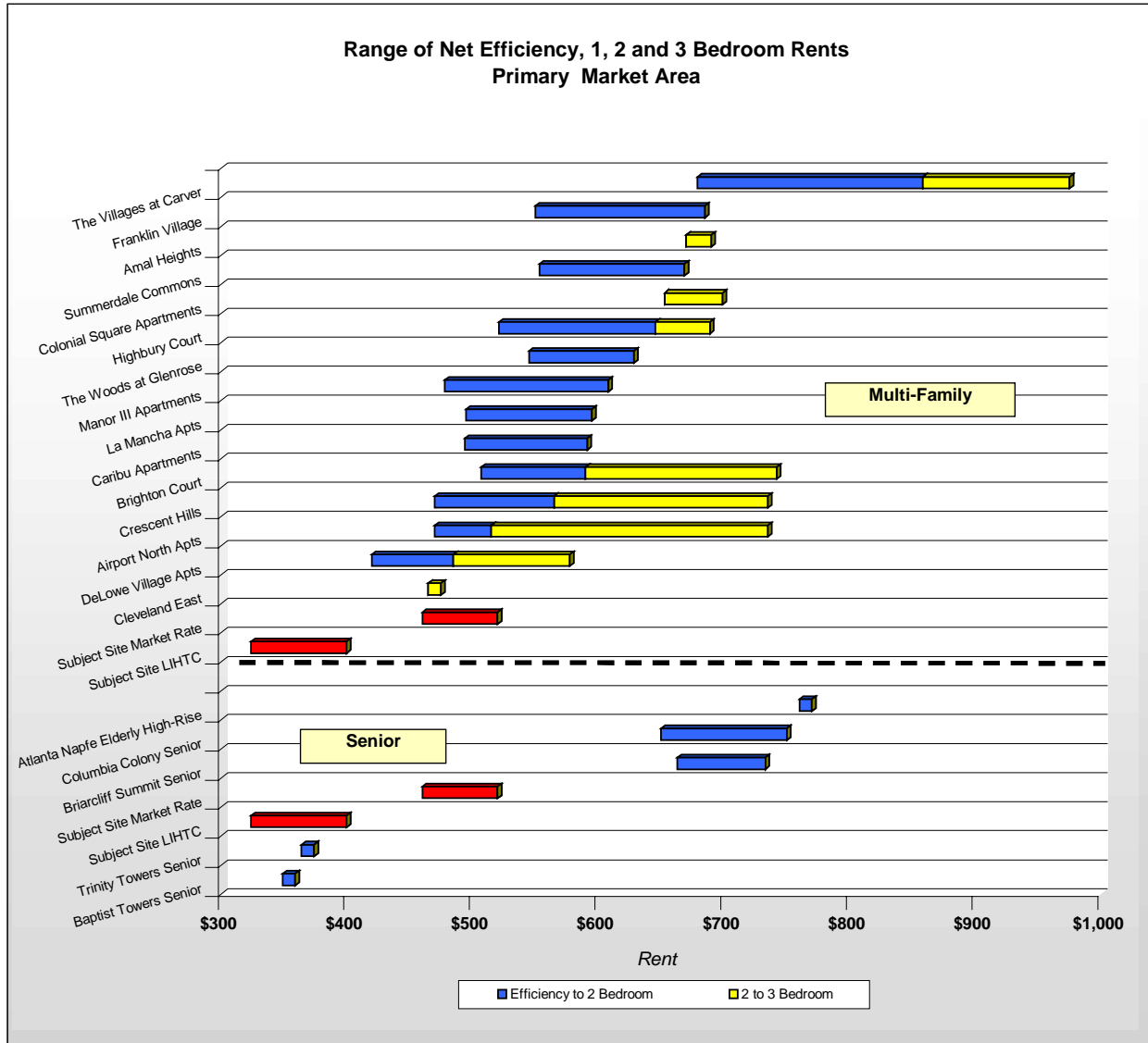
**Table 26 - Salient Characteristics, Surveyed Rental Communities**

Community	Type	Total Units	(1)				(1)				(1)			
			Efficiency Units				One Bedroom Units				Two Bedroom Units			
			Units	Rent	SF	Rent/SF	Units	Rent	SF	Rent/SF	Units	Rent	SF	Rent/SF
The Villages at Carver	Garden	220					40	\$674	754	\$0.89	100	\$853	1,018	\$0.84
Franklin Village	Garden	72					52	\$535	635	\$0.84	20	\$670	735	\$0.91
Summerdale Commons	Garden/TH	244						\$650	772	\$0.84		\$750	1,123	\$0.67
Colonial Square Apartments	Townhouse	192						\$553	500	\$1.11		\$669	913	\$0.73
Highbury Court	Garden	128									172	\$653	750	\$0.87
The Woods at Glenrose	Garden	142					16	\$511	840	\$0.61	86	\$646	1,093	\$0.59
Manor III Apartments	Garden	50					31	\$533	900	\$0.59	112	\$638	1,073	\$0.59
Brighton Court	Garden	100						\$477	475	\$1.00		\$608	650	\$0.94
La Mancha Apts	Garden	80					20	\$520	750	\$0.69	76	\$608	937	\$0.65
Caribu Apartments	Garden	166					20	\$495	715	\$0.69	60	\$595	820	\$0.73
Crescent Hills	Garden	252					54	\$484	780	\$0.62	112	\$576	862	\$0.67
Airport North Apts	Garden	252					32	\$465	850	\$0.55	215	\$560	950	\$0.59
DeLowe Village Apts	Garden	152						\$465	850	\$0.55		\$510	950	\$0.54
Cleveland East	Single-story	30						\$415	742			\$495	942	\$0.53
Amal Heights	TH	192									30	\$475		
Sub-Total/Average		2,272					265	\$521	736	\$0.71	983	\$620	915	\$0.68
Columbia Colony Senior	Mid-Rise	120						\$650	772	\$0.84		\$750	1123	\$0.67
Atlanta Napfe Elderly High-Rise	High-rise	97	25	\$779	428	\$1.82	72	\$830	537	\$1.55				
Briarcliff Summit Senior	High-rise	200	89	\$662			85	\$728			26	\$808		
Baptist Towers Senior	High-rise	300	90	\$347	400	\$0.87	210	\$416	500	\$0.83				
Trinity Towers Senior	High-rise	240					240	\$429	546	\$0.79				
Sub-Total/Average		957		\$596	414	\$1.44		\$611	589	\$1.04				
			204				607							
Average / Total		3,229		\$596	414	\$1.44		\$546	701	\$0.78		\$639	929	\$0.69
Unit Distribution		2,139	204				872				1,009			
% of Total		66%	10%				41%				47%			

(1) Rent is adjusted, net of utilities and incentives

Source: Field Survey, Real Property Research Group, Inc. June, 2002.

**Figure 4 - Product Position**



As the figure on the previous page illustrates, general rental units are focused between \$475 and \$675 for one and two bedroom units. The senior projects in the market area are above \$600 or below \$400 .. The proposed tax credit and market rate units at Lakewood Christian Manor Seniors Apartments at the bottom of the range of net rents among general occupancy communities and in the middle of the range of net rents for senior oriented communities. The proposed rents are reasonable and appropriate given the newly renovated units and amenities to be included. Additionally, the proposed project fill a gap in the market for affordable senior housing.

## C. Proposed Developments

An area undergoing significant renovation, the PMA has a large number of residential projects currently in the pipeline. The following three rental projects have been identified as new or rehabilitated communities that will be coming on line in the near future. All of these communities are general occupancy and will not be reserved for senior tenants; therefore they will not compete with the proposed units at

- **Manor III Apartments** is currently undergoing a privately financed renovation program. Fifty of the units have been completed. The remaining 76 units will be completed by September 2002 and are expected to totally absorbed before the subject site is completed. The average one-bedroom rent is \$495 for a 475 square foot unit and the average two-bedroom rent is \$625 for 650 square foot unit. Besides a security gate, the project will have few other amenities. The owner is waiting for a water permit to construct an on-site laundry facility.
- **The Villages at Carver** redevelopment property will totally transform the site of the former 990 apartment Carver public housing community into a mixed use, mixed income community of 718 multi-family rental apartments and 252 single family homes. The master plan will include recreational jogging trails, a green belt, a community center and retail/ commercial center. Since development began, a non-profit group has begun the 108 unit single family community of High Point Estates (homes ranging in price from \$130,000 to \$170,000) and a senior apartment complex directly across

the street from the Villages. The first Phase of the rental project has been completed with 220 units open. Lease-up took less than 6 months (36 units per month) since its opening in July 2001 and currently there are no vacant units. Phase II consisting of 56 rental townhomes is scheduled to open in June 2002. Phase III consisting of 216 multifamily units is scheduled to open July 2003 and the last phase of 216 multifamily garden units is scheduled to open in either 2004 or 2005.

#### **D. LIHTC Communities**

- **The Village at Carver** Phase I, located east of the I-75/85 corridor and adjacent to Lakewood Park, consists of 220 one, two, three and four bedroom units. Minimum income limits are set for each unit type. A further description of the entire project is located in the pipeline section. Unit amenities include dishwashers, disposals, and washer/ dryers in every unit – the only community to offer in-unit laundry facilities in the entire market area. Rent for one-bedroom units averages \$664 for 735 square feet; rent for two bedroom units averages \$868 for 1,001 square feet; and rent for three bedroom units averages \$990 for 1,142 square feet. Carver also is the only project to offer four- bedroom units for \$1,300 sized at 1,436 square feet. This community current has no vacancies among the available units.
- **Summerdale Commons**, located approximately 2 miles southeast of the site, is a tax credit community that was originally built in 1968 and renovated in 1998. Summerdale consists of 244 apartments split in two sections facing each other across Old Hapeville Road. Of these units, 108 are two bedroom townhome apartments. Amenities include a security gate, playground, and grilling areas. Unit features include ceiling fans, upgraded kitchens, large walk-in closets, and washer/dry hook-ups. One bedroom units rent for \$553 for 500 square feet; two bedroom units rent for \$669 for 913 square feet and three bedroom units rent for \$743 for 1,065 square feet. Units are offered at 50 percent and 60 percent of area median income and market rate. There are currently no vacancies in the project.
- **Colonial Square Apartments**, located approximately 2 miles southeast of the site east of I-75, is a tax credit community that was originally built in 1974 and also renovated in 1998. Colonial consists of 192 townhouse apartments. Project amenities

include a security gate, playground and outdoor pool. Unit features include ceiling fans, large walk-in closet, upgrade kitchens, and washer/dryer connections. Two bedroom units rent for \$653 for 750 square feet and three bedroom units rent for \$699 for 950 square feet. Units are offered at 50 percent and 60 percent of area median income and market rate. There are currently four vacancies at Colonial Square.

- **DeLowe Village** is located approximately 2 miles southwest of the site in East Point and offer 1, 2 and 3 bedroom units. Originally built in 1971, the apartments were renovated in 1999. Project amenities include a playground and after school day care center. Unit features include upgraded kitchens with dishwasher and disposal and washer/dryer connections. One bedroom units rent for \$425 for 742 square feet; two bedroom units rent for \$495 for 942 square feet and three bedroom units rent for \$750 for 1,150 square feet. Units are offered at 60 percent of area median income. There is currently no vacancies in the project.

## IX. Interviews

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Information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included property managers, individuals with the chamber of commerce, Atlanta Housing Authority, and local planning officials. All pertinent information obtained was included in the appropriate section of this report.

## X. Conclusions and Recommendations

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### **Proposed Site Location**

- The proposed 4.921 acre site for Lakewood Christian Manor Seniors Apartments is located on the southwest corner of Springdale Road and Lakewood Avenue/Perkerson Drive, just south of the Lakewood Freeway approximately one quarter of one mile west of the downtown connector (I-75/I-85).
- The site has a gently rolling topography that generally slopes away from the center of the property to the north and south. The site is irregular in shape and has approximately 455 feet of frontage along the west side of Springdale Road and 390 feet of frontage along the south side of Lakewood Avenue/Perkerson Drive.
- This section of Atlanta, located along Lakewood Freeway west of the downtown connector, is an established residential area. The area is estimated to be 95 percent developed with most development consisting of older buildings recently renovated.

### **Proposed Amenities**

- Lakewood Christian Manor Seniors Apartments will include a kitchen with a stove and a refrigerator. Common area amenities will include extensive community gathering areas, an exercise room, shuffleboard court, library, community garden, and computer lab.
- The proposed unit and common area amenities will be attractive to the senior clientele, which will be targeted by Lakewood Christian Manor Seniors Apartments.

### **Demographic Analysis**

- According to 2000 Census data, the proposed development is compatible with the demographic composition of the primary market area.



- The senior household growth rate and senior income distribution indicate the need for additional senior oriented rental units.

### **Affordability Analysis**

- Based on household income distributions produced by Claritas, 71.1 percent of the senior (55+) households in the primary market area earn less than the maximum income limit for the one bedroom units at 50 percent of the AMI.
- When a minimum income limit is introduced, 13.94 percent earn below the maximum income limit and above the minimum income limit. This minimum income limit will apply to those householders without Section 8 voucher rental assistance.
- Based on the 2004 senior household estimate of 22,943 for the primary market area, there are 16,312 senior households with incomes below the maximum income limit and 3,199 of these household also earn more than the minimum income limit.

### **Proposed Unit Mix and Rent Schedule**

- The proposed unit mix consists of efficiency and one bedroom units. There will be tax credit units priced at both 30 percent and 50 percent of the Area Median Income and market rates units will target those renters earning no more than 80 percent of the AMI.
- The proposed efficiency and one bedroom units at Lakewood Christian Manor Seniors Apartments will be appealing to senior renter households. While developers are now leaning toward one and two bedroom configurations, affordable senior units that happen to be efficiencies will still be in great demand in this market.
- The proposed tax credit and market rate rents are well below the average of the existing rental communities surveyed. The rents at Lakewood Christian Manor Seniors Apartments will be competitive given the product to be developed and its attractive location.

### **Demand and Capture Rates**

- Using the methodology stipulated by Georgia DCA we find that there will be 5,364 senior (55+) renter households as a result of substandard households, rent over burdened households, renter household growth, and elderly homeowners converting to rental housing in 2004.
- By applying the income qualification percentages discussed earlier to this demand number, we calculate that there is demand for 1,263 additional units in the primary market area.
- This demand estimate results in a capture rate of 17.9 percent with a minimum income limit and 4.2 percent without a minimum income limit. Based on the product to be constructed and the proposed location, these capture rates are considered achievable. Furthermore, as the proposed development is a renovation of a community with a currently occupancy rate above 96 percent, the capture rate analysis is unnecessary.

### **Final Conclusion**

Based the data presented in this report, we find that Lakewood Christian Manor Seniors Apartments passes the market study test as proposed.

## Appendix 1 - Underlying Assumptions and Limiting Conditions

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation which could hinder the development, marketing or operation of the subject project.

The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.

## Appendix 2 - Analyst Certification

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full study of the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



Tad Scepaniak  
Regional Director  
Real Property Research Group, Inc.

June 21, 2002

Date

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.

## Appendix 3 - Resumes

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### TAD SCEPANIAK

Mr. Scepaniak directs our Atlanta office. He has approximately eight years of experience in the field of residential rental market research. Before joining the firm, Tad was president of MarketQuest, where he was involved extensively in the Low Income Tax Credit program throughout the entire United States. Mr. Scepaniak has completed work in approximately 25 states and Puerto Rico over the past eight years. He also has experience conducting studies under the HUD 221d program, market rate rental properties, and student housing developments. Along with work for developer clients, Tad has led our research efforts for both the North Carolina and Georgia Housing Finance agencies. Mr. Scepaniak is also responsible for development and implementation of many of the firm's automated analytic systems.

#### **Areas of Concentration:**

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program, however His experience includes assisted living facilities and market rate senior rental communities.

Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Student Housing: Tad has conducted market analysis of student housing solutions for small to mid-size universities. The analysis includes current rental market conditions, available on-campus housing options, student attitudes, and financial viability of proposed developments. Recent campus studies include Southern Polytechnic University, North Georgia State College and University, and Abraham Baldwin Agricultural College.

#### **Education:**

Bachelor of Science – Marketing Research; Berry College – Rome, Georgia.

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## ROBERT M. LEFENFELD

Mr. Lefenfeld has over 20 years of experience in the field of residential market research. As an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason, he has closely monitored residential markets throughout the Mid-Atlantic United States. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for-sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles.

Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, where he analyzed markets throughout the Eastern United States and evaluated the company's active building operation on an ongoing basis.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders and the National Council on Seniors Housing. His recent article, "Market Analysis: Basic Elements of a Good Study," was featured in the Summer, 2001 issue of ULI's Multifamily Housing Trends magazine. He also authored an article on active adult housing that will appear in an upcoming issue of Mid-Atlantic Builder, published by the Homebuilders Association of Maryland.

### **Areas of Concentration:**

Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects of these analyses have included for-sale single family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations, and continuing care facilities for the elderly. In addition, he has conducted feasibility work in conjunction with Hope VI applications for redevelopment of public housing sites and analyses of rental developments for 221(d)4 insurance and tax credit applications.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for-sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), allowing the comprehensive integration of data.

### **Education:**

Masters of Urban and Regional Planning; The George Washington University.  
Bachelor of Arts, Political Science; Northeastern University.

## Appendix 4 - Community Photos and Profiles